

Nation's Business

Grand Copy

Unions are raiding your rights

Putting blacks in the black

How do you rate as an executive?

**RUSSIA:
FUTURE
FRIEND
OR
FOE?**



No other van has any of these better ideas!

Not one van! Not one idea!

Look over the entire van field. Nowhere will you find any of these Ford better ideas—even at extra cost!

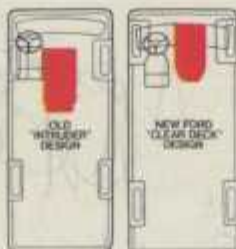


Only Ford gives you Twin-I-Beam riding smoothness. The front suspension made famous in Ford pickups. Two I-beam axles for strength; coil springs for easy ride—the most rugged independent suspension yet!

Only Ford gives you an outside service center. Just lift the chest-high hood for easiest possible checking of oil,



water, battery, windshield washer water, brake master cylinder and voltage regulator. Everything is easy to reach.



Only Ford gives you increased floor space—23% more. Engine's been moved forward—out of loadspace. You get 23% more clear unobstructed floor area than any other van. Over 8½ ft. clear load length in regular vans and 10 ft. in SuperVans.

Only Ford gives you driver "walk-thru" to the rear. Convenient aisle to cargo area from driver's seat. No



need to step outside to reach load compartment. Engine cover is an insulation sandwich to seal out noise, heat; top is flat with raised edges for use as convenient package tray.

Only Ford gives you payloads as big as 3590 pounds. Higher capacity axles and heavier construction in three



new series let you carry more weight—650 lbs. more payload than any other van. And still more better ideas! Long wheelbases and wide track (over 5½ feet) result in turnpike stability even on windy days ... power goes up to a 302-cu. in. V-8 ... self-latching doors!

FORD ECONOLINE VANS



**"Mr. Moss, what do you like best
about our country?"**

**"San Francisco,
Nancy Sinatra,
and your telephones."**

Stirling Moss, famed British racer:

"I reckon the first thing I noticed about your phones is the way you can carry them around while you're talking...the little pocket in the back, I mean, in your standard model. And no matter how many numbers you've got to dial, your system rarely fouls up. You get the number at the first go.

"From my point of view, that's pretty unusual.

You've got to use somebody else's phone system before you realize how lucky you Yanks are."

Our nationwide network has some other things going for it too, Mr. Moss. In most countries, they use a phone just to get their voice from one place to another. Over the American telephone network, people talk, machines talk, pictures go back and forth. Anything goes—instantly—anytime, anywhere.

Nation's Business

December 1968 Vol. 56 No. 12

Published by the Chamber of Commerce of the United States
The national federation of organizations representing
5,000,000 companies and professional and business men
Washington, D.C.

Pat Russell **7 WASHINGTON TRENDS: How will your taxes change?**

New Administration is on a collision course with Congress over tax reform—out of it could come some major changes

John Costello **19 EXECUTIVE TRENDS: What the boss does**

Should it be spelled out in a job description? how much a degree is worth; what executives are giving—and getting

Mr. Lueger **25 WHITE HOUSE MOOD: Most visible and vital man**

Our Founding Fathers made no provisions for White House official such as this but he's important cog in government

Miss Marley **29 STATE OF THE NATION: Threat to schools**

Is school system being destroyed by promoting incompetent students, unionizing teachers and government intervention?

Allen D. Sypher **31 RIGHT OR WRONG: They won't stop at the knee**

It makes no difference that private industry has spent many millions on auto safety; government wants to lay out more

John Wing **34 Unions are raiding your rights**

The government has been aiding labor union efforts to strip businessmen of their ability to properly manage their firms

John Costello **38 A tidy sum**

Donald Sears That's what one businessman, turned officeholder, found he could save taxpayers with modern management methods

Learning Leppay **47 LESSONS OF LEADERSHIP: Being penny wise**

A conversation with ^{LORD} Roy Thomson, world press lord without peer, who had nothing at 40 and now is multimillionaire

Ed Block **52 How do you measure up as an executive?**

Fifty questions that can help a businessman take stock of himself, give an insight into his strengths and weaknesses

William V. Roth Jr. **54 New plan to give taxpayers their money's worth**

Government spends \$20 billion a year on federal assistance programs but they're concealed in a thicket of bureaucracy

56 BUSINESS: A LOOK AHEAD

Research finds way to reduce potato spoilage; ad agencies feel new competition; airlines overhaul baggage handling

58 Putting blacks in the black

The business community has joined forces with federal and state governments in efforts to create Negro entrepreneurs

64 Russia: Future friend or foe?

Soviets still bent on expanding political and military might; anxious to avoid nuclear war but capable of miscalculation

68 Businessmen's guide to European eating

Everybody knows the famous restaurants, so why not join the natives in a visit to little-known gastronomical world?

74 How a union locks a man in

Here's a case study in the way a labor union can chop down a worker's individual rights, leaving him with no recourse

76 Civil servants—a national asset

The chairman of the Civil Service Commission tells what's being done to upgrade the host of U. S. government employees

82 SOUND OFF: Should unions be restrained?

What do you think about labor unions? Have they become too powerful, too disruptive? Here's your chance to say

84 Where hot shots run the business

A highly successful program for training future managers is carried out both on the job and on the basketball courts

88 EDITORIAL: But it helps

President-elect Nixon knows what inflation's all about; he earns more than Harry Truman did but has far less left

Cover photograph—Fred J. Maroon

Nation's Business is published monthly at 1615 H St. N.W., Washington, D. C. 20006. Subscription rates: United States and possessions \$23.75 for three years; Canadian \$9 a year. Printed in U.S.A. Second class postage paid at Washington, D. C., and at additional mailing offices. © 1969 by Nation's Business—the Chamber of Commerce of the United States. All rights reserved. Nation's Business is available by subscription only. Postmaster: please send form 3579 to 1615 H Street, N.W., Washington, D. C. 20006

Editorial Headquarters—1615 H Street N. W., Washington, D. C. 20006

Advertising Headquarters—711 Third Avenue, New York, N. Y. 10017

Circulation Headquarters—1615 H Street N. W., Washington, D. C. 20006



Editor
Jack Wooldridge

Managing Editor
Tait Trussell

Associate Editors
Jeffrey S. O'Neill
Walter Wingo
John Costello
Vernon Louviere
Sterling G. Slaphey
Wilbur Martin

Contributing Columnists
Felix Morley
Peter Lisagor
Alden H. Sypher

Art Director
Ralph Patterson
Associates
Joseph W. Swanson
Richard C. Freund
Andrew T. Radigan, Jr.
Adm. Assistant
Mary W. Davis

Business Manager
William W. Owens
Advertising Director
Herman C. Sturm
Director of Field Sales
Arnold F. Dardwin
Production Manager
W. Lee Hammer

The Home's Business Owner's Policy delivers top-quality protection...

More retailers, wholesalers and service business owners are making the top-to-bottom protection of The Home's Business Owner's Policy their policy. Here, in one three-year contract, is virtually every coverage you need, custom-crafted to fit your business precisely. Physical damage protection for buildings and contents, crime-loss coverage, liability insurance—you name it, this exclusive Business Owner's Policy has it.

You gain real flexibility, too, with optional features like peak inventory protection at average inventory cost, and business interruption insurance to guard your income when a covered loss stops your operation.

All this, and substantial savings, too. Just one premium, and you pay the way you please under The Home's Thico Plan—annually, monthly, quarterly, even seasonally.

Your business rates top-quality protection at substantial bottom-line savings. Call your Home agent today. He's in the Yellow Pages.



Mr. Kenneth Krug
Krug's Hardware
of Franklin Lakes



Mr. Daniel W. Litscher
Litscher's Wholesale Electric



Mr. Harry Tashman
Elm City Plumbing
& Supply Co., Inc.



Mr. E. Newman Gile
Peoria Electric
& Appliance Co.



Mr. Harry Weller
Weller Funeral Home, Inc.



Mr. S. H. Monson, Jr.
Monson Welding Sales, Inc.



Mr. Edward Harootuzian
Wharton's, Inc.



Mr. Howard B. Klein
Burrows Bros. Co., Inc.

at bottom-line savings like these:

→ **Saved**
\$297⁰⁰

→ **Saved**
\$682⁰⁰

→ **Saved**
\$408⁰⁰

→ **Saved**
\$1,281⁰⁰

→ **Saved**
\$740⁰⁰

→ **Saved**
\$1,704⁰⁰

→ **Saved**
\$8,795⁰⁰

→ **Saved**
\$1,147⁰⁰



THE
HOME
INSURANCE
COMPANY

59 Maiden Lane, New York, N. Y. 10008

Policy now available in most states.

GM

MARK OF EXCELLENCE



The company car for the family man.

The 1969 Chevrolet is more than a car.

It's a fringe benefit. And a very liberal one at that.

For one thing, it looks like it should cost a lot more than it does.

It also rides like a more expensive car.

It has one of the roomiest interiors on the road, with trunk to match.

And up front purrs the biggest standard V8 in Chevy's field: our 235-hp Turbo-Fire 327.

(Relax, Accounting. It runs on regular gas.)

And we ask you: How many fleet cars have

hidden wipers, locking steering wheels, Astro Ventilation, Magic-Mirror finish, full coil suspension?

What Chevrolet adds up to is The Perfect Company Car.

Not too plain.

Not too fancy.

The type your people would be proud to take home to mother.



Putting you first, keeps us first.



BY TAIT TRUSSELL

HOW WILL YOUR TAXES CHANGE?

The Nixon Administration is on a collision course with Congress over tax reform. But out of the clash could come significant changes in the federal taxes business pays. This now appears likely even in the early dawn of the new Administration.

Tax reform momentum already is rolling. President-elect Nixon has said, "Fundamental reforms are definitely needed. That is why I favor a thorough review of our present tax system . . . to reduce the tax burden (and) provide more positive and socially useful incentives."

The Johnson Administration, required by Congress to propose tax reforms before leaving office, also seeks large-scale changes in the laws.

Many influential lawmakers have tax reform plans in mind.

But this doesn't mean there's unanimity on the kind of tax reform. It's like the blind men who felt the different parts of the elephant. Each one had his own idea of what an elephant looks like. So it is with tax reform.

Any reform legislation in the past has always been extruded from Congress only after the most agonizing compromises. Tax reform dealt with in the upcoming Ninety-first Congress should be no different.

Added to the customary obstacle course for tax reform will be several new hurdles. First, any

legislation the Republican President sends to Capitol Hill faces a Democratic led Congress. Though many members will be sympathetic to his proposals, the new Congress will probably be as independent as any in memory. No new flock of members rode into office on Mr. Nixon's coattails. So few will feel they owe the new President anything.

More importantly, the main theme and thrust of the Nixon tax reform program appears to take the form of tax incentives, in particular the tax credit. But the tax credit is an anathema to the powerful Chairman Wilbur Mills of the Ways and Means Committee, where every tax law must originate.

The tax credit idea is liable to be at the core of coming controversy over taxes. Mr. Nixon's key advisers have been mulling over a variety of tax devices, mainly aimed at spurring industry deeper into the fields of social problem solving.

Here are some of them:

- A tax credit could be granted for building plants, offices or homes in slum areas. In other words, part of the cost of such investment by business could be charged off against federal taxes owed by the business.
- Tax credits or tax deductions for the cost incurred by businesses in training hard-core unemployed.
- Credits or deductions for individuals who pay for special training to upgrade themselves.
- Tax exemptions for the lowest income workers.

Mr. Nixon has said that you can't "expect large private corporate business to commit its resources to the problems of the cities to the extent needed without proper incentive." That's why he says he will recommend "a variety of tax credits and other incentives to act as an inducement for business to divert its efforts toward the solution of these problems—many of which industry is demonstrably better equipped than government to solve."

Such tax changes could involve billions of dollars. And that's the rub, when you look at it from Chairman Mills' end of the tax reform elephant. As Mr. Mills points out, tax credits have "precisely the same effect on the budget as an outright expenditure. The only difference is they appear as a negative receipt rather than as an expenditure. The grant of additional tax credits increases the size of the budget deficit just as surely as an additional expenditure."

Mr. Mills brands tax credits as backdoor spending. "It would do us no good to have expenditure control," he says, if you can "run around to the

Tait Trussell is managing editor of Nation's Business.

back door" and draw off revenue in tax credits. Mr. Mills argues that we shouldn't sanction an "indirect subsidy" in the form of special tax relief. He notes, too, that tax credits, unlike budgeted spending, can't be reviewed every year.

Finally, he believes that tax credits might go to business firms to prompt them to do what they would already undertake without the tax credit. Somewhat as business now serves government needs by making submarines and space vehicles without any special tax incentives.

One of Mr. Nixon's top economic advisers, Alan Greenspan, however, tells *Nation's Business* he believes the philosophy of tax credits can win the approval of Mr. Mills "if it can be demonstrated convincingly that specific proposals are fiscally responsible."

Then, too, the tax credit is not exactly an untested mechanism. For example, there's the current retirement income credit for the elderly. And there's the investment credit which has successfully encouraged business to modernize in recent years. One of the best arguments for the idea of letting businesses take tax credits for the cost of solving social problems, as compared with setting up a government program to do it, is that you eliminate the government bureaucratic overhead.

The first tax decision the Nixon Administration has to make involves the tax surcharge, now due to expire June 30. If all or part of the surtax is extended, surely the promise will be held out for tax reduction at a later date. Mr. Nixon has indicated he wants gradual reductions in future years.

One of Mr. Nixon's tax advisers, Dan Throop Smith, firmly believes income tax rates should not go above 50 per cent. They now range to 77 per cent with the surtax. Professor Smith, of Harvard's Graduate School of Business, was the top tax policy-maker during the Eisenhower era.

He is probably the leading advocate of another proposal that could be in the Nixon reform package—the value-added tax, which is being adopted throughout the European Common Market. A company pays a value-added tax based on the selling price of its product less the cost of what went into making the product.

Some lawmakers would undoubtedly criticize the value-added tax—the concept already has been attacked in the Treasury—as being a kind of sales tax that would shift the burden somehow to the consumer. But the value-added idea is gain-

ing fresh attention from many leading businessmen for these reasons:

It could be the source of considerable revenue that would permit reduction in the present corporate income tax rate. It could improve U. S. exports and the balance of international payments since present international trade agreements permit rebates to exporters of value-added taxes but not taxes on profits. It would reward efficiency if it eased the levies on income of corporations with high profits.

On Capitol Hill there may be a rush to close the so-called loopholes in estate and gift taxation. They haven't been overhauled since 1942. One of the main targets is the present provision that exempts from tax the appreciation in value of a man's stocks or property when he passes them on to his heirs.

Another target is the provision that permits some firms with many retail outlets to incorporate each store separately to take advantage

of the lower rate on the first \$25,000 of taxable income for each of the stores.

The 1968 Democratic platform also called for adopting a minimum income tax to assure that no affluent person could escape paying taxes any year through the various special provisions. Accompanying this will surely be a drive to relieve the poor of all income tax responsibilities. The most celebrated so-called "loophole" is the depletion allowance, which Mr. Nixon favors. It has become the traditional liberal punching bag and will be cuffed and jabbed in any future tax debate. The depletion provision supposedly spares the "oil millionaire" from paying taxes on a portion of the income from his wells. So the opponents put it.

But in the world of taxes things are never as simple as they appear. The depletion incentive applies to 100 minerals. The allowance doesn't grant the oil industry exorbitant profits or permit it to rig prices as charged. Oil profits range about half way between the highest and lowest of all industry returns. And the price of domestic crude oil at the well has declined in the past decade. Actually total taxes in the oil industry compare closely with other corporations.

Whatever tax reform is ground through the Ninety-first Congress won't occur overnight and without a struggle. That is as sure as death and taxes themselves.



**When a copier salesman tells you
the cost per copy price, ask him to tell you the rest.**

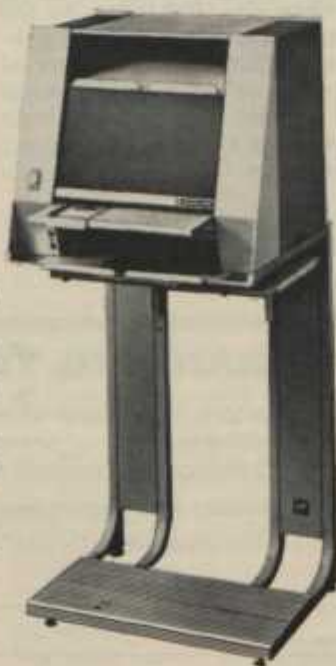
Like the price of the paper.
And the price of the toner.
And the price of repairs.
These are costs nobody ever thinks about.
Unless they talk to a GAF Salesman for
Gafax™ copiers.

Whether you rent a Gafax 500, buy it, or
contract for it, you can be sure that the cost per
copy price you were quoted is the cost per copy
price you'll wind up paying.

Because we make our own paper. And we
make our own toner. And we make our own
repairs.

And we don't hide anything from you.

The only thing you won't see with the Gafax
500 is a lot of extra bills.



The Gafax 500

gaf

GAF Corporation
Office Systems Products
Dept. IEL, 140 W. 51st St., N.Y., N.Y. 10020

I'm convinced. Have a salesman call. ☐

I'm convinced. Please send more information. ☐

Name

Position Phone

Company

Address

City State Zip

© GAF Corporation (formerly General Aniline & Film Corporation)

IN DEFENSE OF FEDERAL EMPLOYEES

• From the standpoint of postal employees, a few more of those "clinging barnacles" you mention *Riding the Gravy Train* (October) would vastly improve your mail service. More and more trained and dedicated personnel are required to keep pace with the exploding volume of mail, most of it generated by businessmen. Yet the Post Office has to hire on the average some 180,000 new employees every year to achieve a net gain of 89,000.

Why? Because in the words of a recent (and accurate) *Washington Post* editorial, the work is "dull" and the hours are "inconvenient." Nor is this the only reason for high turnover, and it is turnover rather than retirement that accounts for the bulk of the figures quoted. Some 85 per cent of all postal employees are in the five lowest pay grades (there are 21 pay grades in the postal service). And the highest income to which they can aspire after 21 years of service is approximately \$8,100 a year.

Some gravy train!

Though unionized, postal employees and all organized federal employees have no basis in law for meaningful collective bargaining—a fundamental right that workers in the private sector have enjoyed for more than 30 years.

Nor may we strike despite the worst kind of management abuses—and these, too, exist in the federal service. Until very recently, we were compelled to accept compensatory time off in lieu of overtime pay. Even now we are denied true overtime under a system that would send many employees of private industry surging out on strike. We can be compelled to work up to 10 consecutive days without one penny of overtime.

Postal clerks are also required to be tested annually on their knowl-

edge of "schemes"—detailed and complex mailing routes (which they must learn on their own time)—and can be discharged for cause if they fail to score 95 per cent or better on every examination. No worry about getting fired, you say? Actually postal clerks every day of the week sort mail 99.6 per cent correct as required by these complex distribution schemes.

Those plush fringe benefits you write about are also offset by spartan and widespread non-use. Last Dec. 31, for example, one group of 2,519 postal employees who retired that day gave up their rights to more than \$9 million in unused sick leave earned during more than eight full years of employment. Nor is this untypical.

Be aware also that today, on the average, each U. S. postal clerk handles more than 114,000 pieces of mail a year—as much as is moved by two French or German clerks and more than three times as much as the average Japanese clerk handles.

It would appear important that your readers be exposed to both

sides of "Riding the Gravy Train." Therefore, I request you to publish this challenge.

PATRICK J. NILAN
Legislative Director
United Federation of Postal Clerks
AFL-CIO
Washington, D. C.

Teamwork needed

• Your interesting article, "Riding the Gravy Train," not only pinpointed an important problem, but also reflected substantial research and revealed updated information to which most of the American public has no access.

It is the strong position of the National Council of Technical Service Industries (NCTSI)—which it is my honor to serve as president—that any approach to the problem of "big government" should be unemotional, objective and motivated by a simple quest for what is best for the national interest. Simply stated we hold that industry and government should work as a team if the socio-economic problems of the Twentieth and Twenty-first centuries are to be solved in the American tradition.

Reasonable people at high levels must search for a reasonable solution based on logic and fact—a solution which solves the problems of today as well as the problems of the future. We believe that the first step is to establish cost comparisons between industry and government which are mutually acceptable to both parties.

The controlling principle in reaching a meaningful solution is, we believe, to continue the present national policy of relying on private enterprise. To implement this policy, we believe that where there is a task to be performed which has a known time-phase, then contractor services must be considered first.

Overriding this, of course, would

CHANGING YOUR ADDRESS?

Please attach the address label from your Nation's Business cover in this space, print your new address below, and mail this form to Nation's Business. Important: Allow five weeks for address change.

Nation's Business, 1615 H Street, N. W., Washington, D. C. 20006

Name _____

Co. Name _____

Address _____

City _____

State _____

Zip Code _____

Whenever you write us about your subscription, please include address label for prompt service.



There are two things you can do about the higher cost of mailing packages these days.

1. Buy a Pitney-Bowes 3700 parcel post mail scale for your business. It weighs anything up to 70 pounds and figures the exact postage for you automatically. Right to the penny. It's unfailingly accurate. That means it never makes a mistake and you never overpay. That's even more important now that parcel post rates have been increased as much as 25%.

2. And the Pitney-Bowes 5460 postage meter mailing machine. It prints the exact amount of postage necessary right to the penny on special tapes for packages, in addition to sealing and stamping envelopes. You don't need an inventory of stamp denominations and you'll never be in the position of using too much postage because you don't have the right stamps. It dates, postmarks and cancels at the same time so your packages frequently get through the post office faster and the recipient knows exactly when it was mailed.

The meter has an accumulative counter that shows you and Uncle Sam exactly how much postage you use during the year.

It keeps you from over-taxing yourself. As a Pitney-Bowes user, you can even insure your own packages. You can join an exclusive parcel insurance plan handled by a leading insurance company that lets you insure up to 25 parcels a day.



Pitney-Bowes

For information, write Pitney-Bowes, Inc.,
1139 Pacific St., Stamford, Conn. 06904.
Postage Meters, Addresser-Printers,
Folders, Inserters, Counters & Imprinters,
Scales, Mailopeners, Collators, Copiers.



Low-priced time clock helps small companies meet strict wage-hour law requirements

Accurate time records and proof of compliance are mandatory for all companies subject to the wage-hour law. More and more companies are finding it pays to avoid wage-hour trouble with clock-stamped payroll time records. A bonus benefit is that resulting employee respect for time discipline shows up in increased production!

Lathem leads the field with a deluxe, fast-operating top-inserting time recorder that provides error-free two-column payroll accounting for straight time and overtime. And Lathem makes time clocks feasible for companies with as few as three employees with low-priced side-printing models which may be used for job time as well as payroll time.

LATHEM TIME RECORDER COMPANY
150 Selig Dr., S.W., Atlanta, Ga. 30336
Please send me complete information and prices, also payroll time card samples.

Name

Company

Address

Lathem

TIME RECORDERS
PROGRAM TIMERS
TIME STAMPS
WATCHMAN CLOCKS

letters *continued*

be the high-level security tasks where the national safety might lead to the selection of government employees to handle specific responsibilities.

There could be other exceptions to the rule that private industry should perform specific tasks for the government, while government should perform general services for the American public. Of course, no one in private industry wants federal judges, FBI agents, the Federal Bureau of Narcotics or Internal Revenue Agents, etc., to be contractor employees.

There are certain government tasks performed by government agencies for the U. S. public which will go on and on. The Federal Aviation Agency, Civil Aeronautics Board, Bureau of Fish and Wildlife, the Civil Service Commission and GAO are some examples.

There are other tasks such as the maintenance of the international space tracking systems for the Apollo network, the ballistic missile early warning system and the distant early warning line which more clearly belong in the area of private support as provided by U. S. industry.

When there are reasonable probabilities that the government's needs will fluctuate, it is appropriate that prime reliance be placed on private industry. In these circumstances, where the government's requirements change, the government has only to cancel the contract. In contrast, should these responsibilities be filled by permanent civil servants, there will be substantial difficulties in deleting the individual jobs because of the tenure provisions of the Civil Service Commission.

ROBERT E. CHASEN
President
Federal Electric Corporation
Paramus, N. J.

• The article entitled, "Riding the Gravy Train," in the October issue of NATION'S BUSINESS, is one of the most uninformed, unfair and vicious attacks on federal employees that has come to my attention. The article is evidently a concerted effort to disparage and condemn a

group of employees by ignoring the facts or distorting any factual information with the deliberate intent of creating a biased opinion.

Such sweeping statements that "federal jobholders have become the most mollycoddled working class in the nation" are scarcely befitting a journal of the stature of NATION'S BUSINESS. Their pay has been related to pay for similar work in private industry, their leave is actually no more generous than that in large industrial organizations and whatever is wrong with the financing of the Federal Civil Service Retirement System is the result of legislative negligence about which the employees or their organizations can do nothing but urge remedial action.

It is simply not true that "there has been a 75 per cent hike in the average pay of federal workers." The 1.2 million employees under the Classification Act have during the last decade received salary increases which add up to 37.3 per cent. Even if the 10 per cent increase of 1958 is included, the total is less than the 55 per cent for teachers, a notoriously underpaid group, and 49 per cent for telephone workers. The Classification Act group includes the clerical, professional and administrative employees.

It is important, of course, to base any comment concerning pay on working conditions and job requirements that are reasonably comparable to those in the federal government. Under such conditions, there are numerous examples of higher pay in private industry. In my statement to the House Post Office and Civil Service Committee Mar. 14, 1966, I submitted comparative salary figures for clerical positions in the United States Steel Corp. and the United States government. Following are comparative starting salaries for four representative positions at that time:

	Federal government	U. S. Steel Corp.
Typist	\$3,814	\$4,638
Key punch operator	\$3,814	\$4,638
Stenographer	\$4,149	\$4,961
Senior tabulating machine operator	\$4,641	\$5,930

The great decision maker

**1969 Plymouth Fury. One business partner
your wife won't mind you bringing home for dinner unexpectedly.**

Ever have one of those days? You know, you call home about 4:00 in the afternoon and tell your wife you're bringing someone home for dinner. Then, all evening you get a steady, cold smile through clenched teeth?

Surprise her next time. Take the great decision maker home for dinner unexpectedly. Plymouth Fury 1969.

But don't tell her. Just call and say you're bringing a guest.

Fury is the kind of car that can entertain

three mining engineers from Duluth in the afternoon and then take the little woman out for dinner after work.

Big and roomy inside. Comfortable. Redesigned with a smooth-flowing look. Fury rides smooth thanks to torsion-bar suspension. And it's a low-price car to begin with.

Next time you're thinking about a new company car, think about one you can take home for dinner, with no apologies. The great decision maker. Plymouth Fury 1969.



Look what Plymouth's up to now.



Plymouth





Must your girl supply the muscle if you install a little postage meter?

You're probably a small postage user.

So you're going to get a small postage meter.

The kind you crank.

Till we came out with our low-cost Model 9020, you had to use a crank job if you wanted a small machine.

But not any more.

The 9020 is electrically operated. It runs on its own power, not yours.

Pop the envelope into the feed. Press a button. The machine stamps and seals it simultaneously — and ejects the envelope into a stacker.

Putting the power in

didn't mean that we had to leave anything else out. The 9020 has all the ease and speed and convenience you want from a postage meter. Imprints postage from 1¢ to \$9.99 on envelopes or tape for packages.

If you're using or going to get a small postage meter, better look at ours. For that matter, if you're stuck on stamps try pushing our button — it's better.

For a demonstration, call your Friden office. Or write Friden, Inc., San Leandro, California 94577. Sales and service throughout the world.



Friden
DIVISION OF SINGER
QUALIFIED WORKSHOPS

letters *continued*

One of the most amazing statements in the entire article in your magazine is that federal employees "are so indulged that the mammoth civil service retirement fund is \$54 billion in the red and threatens to saddle future generations of taxpayers with huge bills for federal employee pensions." This statement could not have been more wrong even if someone had tried to make it incorrect. Obviously the writer knows little if anything about retirement financing.

The fact is, first, the Federal Civil Service Retirement System is contributory. Federal employees at present pay half the contributions to the retirement fund. Only during the last few years has the federal government paid its half share. During the first eight years after the system was established, the government paid nothing. Total disbursements of approximately \$73 million were paid entirely out of the \$143 million paid by the employees. During the next seven years the government appropriated \$145 million compared to \$208 million paid in by the employees. Thus in the first 15 years the government paid in \$145 million and the employees \$350 million. Total disbursements were \$293 million which obviously would have bankrupted the fund if it had not been for employee contributions.

The fact that the retirement fund is "in the red" is not the fault of the employees. They have always paid their share and at present that is equal to six and one half per cent of their salaries. Whatever "deficiency" exists is the result of failure of the government to make adequate appropriations during the early years of the system. Employee organizations have over the years repeatedly urged the refinancing of the plan and time and time again have gone so far as to offer to increase their contributions.

If federal employees are "mollycoddled" what would you call employees whose retirement benefits are paid entirely by the employer? Such is the case with employees of Armour and Co., Firestone Tire and Rubber Co., The B.F. Goodrich, U. S.

HELP!

Rubber Tire Co., Aluminum Corp. of America, U. S. Steel Corp., Ford Motor Co., General Motors Corp., to mention some of the larger firms.

Frankly, I was puzzled more than irritated over the statement in the article that one of the fringe benefits career civil service employees enjoy is "cash awards ranging from \$10 to \$25,000 for adopted suggestions or superior work." The reference is of course to the incentive awards program of the federal government. Let's set the record straight on this score. If it is to be called a fringe benefit—and I still cannot understand such a classification—the benefit is to the government primarily, not the employees. In the fiscal year 1967, the amount paid in cash awards to employees was far below the huge sum of money which accrued to the government as a saving.

The amount paid in cash awards resulting from suggestions by employees was \$4,392,715. Compare this with the first year measurable benefits to the government of \$156,572,489. Incidentally, there were 551,754 suggestions received. That would indicate that federal employees are a more dedicated group than even the writer of the article would admit. But this is only part of the incentive awards story.

In addition to awards for suggestions, there were other awards for superior performance. The amount paid in cash awards was \$11,774,690. But that must be compared with first year benefits to the government of \$186,945,642.

Wouldn't you say the government received a very large bargain in awarding \$16 million for measurable first year benefits amounting to \$344 million? The government received 20 times the return on its investment. And note that the benefits are "first year" benefits. In many instances the benefit continues well into the future, because a new device or procedure has resulted in a saving of so much money not only this year, but next year, and the next year and so on.

And why is compensation for job-connected injury so unusual? Employees compensation benefits have

Everybody has heard about Zip Code.

But not everybody is using it. Perhaps some people think of it as just a favor to the post office—something to do if they happen to think of it.

But Zip Code is much, much more than that.

Zip helps our postal workers move mail the modern way. With Zip, they can sort it faster and deliver it by more direct routes. With Zip, they will use modern electronic machines that "read" Zip numbers and sort mail fifteen times faster than was possible before!

People who don't use Zip Code hold up the mail for themselves and for everyone else.

So use Zip on every mailing address. Use it on your return address, too. When in doubt about a Zip Code, you can call your post office or look it up in their Zip Code Directory.

And if someone writes you and doesn't use Zip Code—tell him. For us. We need all the help we can get.



HOW ZIP CODE WORKS

Suppose the Zip Code is 60635. The "6" says it goes to the Midwest. The "06" narrows it down to Chicago. The last two digits—"35"—pinpoint the local post office. This eliminates many handling procedures. The letter is sorted faster, and sent more directly to its destination.



Mail moves the country—ZIP CODE moves the mail!

Published as a public service in cooperation with The Advertising Council



been provided for these many years for employees in private industry.

To call military leave with pay for reserve training a federal employee benefit is also difficult to understand. The writer of the article apparently does not realize that persons go into the military service for the security of the country.

Then, two other "fringe benefits": Right to join or refrain from joining unions and protection from political pressure or coercion. I do not recall ever having seen eligibility to union membership considered a fringe benefit in private industry. And as for protection from political pressure, are we not here concerned with a "protection" which operates for the benefit of the American people, who have their interest served by the employment of persons in federal jobs on the basis of merit—training and experience—rather than political patronage? I could continue, but I believe I have pointed up several gross misrepresentations and disregard of facts. I believe the editors of *NATION'S BUSINESS* owe it to federal employees to set the record straight on this collection of errors.

J. F. GRINER
National President
American Federation of
Government Employees
Washington, D. C.

What industry has spent

• We appreciate the favorable references made to the pulp and paper industry in "Industry Cleans Up" [September].

Most of the information you gave on our industry is entirely correct.

There is, however, one serious misstatement. This is the statement that "since 1943 these industries (paper, pulp and paperboard) have laid out over \$8 million on pollution control facilities and another \$25 million in research."

Considering first the industry's water quality improvement efforts, the National Council for Air and Stream Improvement, since 1943, has spent over \$7.5 million for research on water quality problems. Other industry groups and many individual companies have spent additional millions on similar research.

Turning from research expenditures to industry investments in waste treatment facilities, at the

present time the magnitude of the industry investment is over \$325 million and this does not include the millions spent on operating costs for such facilities. The annual outlay of dollars estimated for operating costs industry-wide is \$25 million and it is expected to increase to between \$35 million and \$40 million over the next few years.

Furthermore, a recent survey by the National Council indicates that the industry will invest, in 1968, \$80 million for waste water treatment equipment and in 1969, \$90 million. These planned outlays over the next two years, when added to the investment to date of \$325 million add up, by the end of 1969, to nearly \$500 million expended for waste treatment installations on an industry-wide basis.

Now, with regard to the industry's air quality expenditures, a 1967 survey of the industry for the National Council revealed that 98 per cent of the kraft mills in the industry have installed major collection devices for particulate control. Furthermore, over 60 per cent of these mills employ collection devices designed for in excess of 97.5 per cent efficient recovery of furnace particulates. Nearly \$60 million has been spent by the industry to achieve this performance. The result of these expenditures, it is estimated, is the elimination, on an industry-wide basis, of over 90 per cent of all particulate emissions.

Turning to the costly and difficult problem of odor control, the survey revealed that by early 1969 over half of the kraft mills will be utilizing black liquor oxidation, or other newly developed processes, to reduce the emission of odorous compounds. The increased tempo of the industry's air pollution control effort can also be illustrated by the fact that, while companies have spent close to \$90 million to date for installation of all air control equipment, \$35 million during the last four years, in the next four years the companies expect to double this rate of expenditure to \$70 million for this equipment. Another measure of the effort is indicated by the fact that from 1963 mill capacity increased by nearly 50 per cent but air pollution control investment

by this industry jumped over 80 per cent.

None of these figures included capital expenditures for process changes, many of which have also served to minimize kraft air emissions. Nor do they include the ever-increasing and continuing operational costs for this equipment, or the costs for operating the many ambient air monitoring programs now in effect at over 70 per cent of these mills.

It is expected, incidentally, that within the next three years these monitoring programs will be universal throughout the industry.

FLOYD O. FLOM
Vice President, Public Affairs
American Paper Institute
New York

The MONY plan

• "Executive Trends" [October] reported on a Dartnell Corp. survey of compensation of salesmen.

Your article reinforces my opinion that men and women who feel a salaried job offers a more secure future than a commission-based sales career might want to take a look at some new developments in the sales field.

For example, my company—Mutual of New York—recently introduced an investment plan for its career salesmen to supplement existing pension benefits. The MONY plan enables a salesman to make a basic investment of up to two per cent of his previous year's earnings in a stock fund, a bond fund or a combination of both.

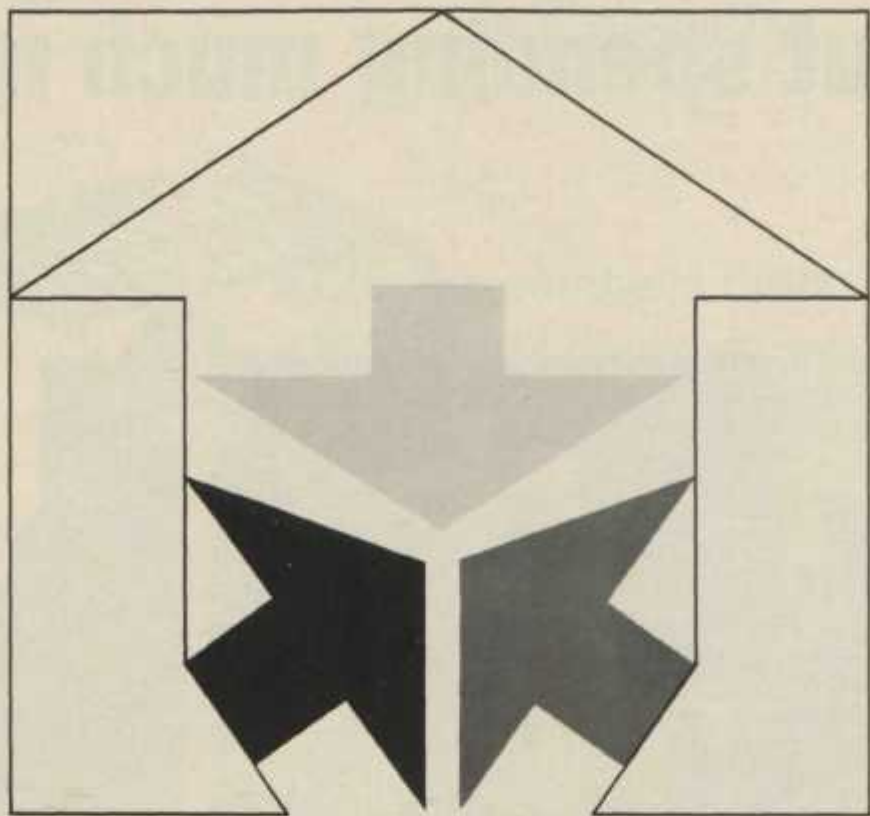
The company contributes an additional amount—one half of the salesman's basic investment. The salesman can also make supplementary contributions up to 10 per cent of his earnings.

A variety of settlement options gives the salesman flexibility to coordinate his investment fund accumulations with his retirement program.

JOHN P. BRION
Director of Communications
Mutual of New York
New York, N. Y.

CORRECTION

H. B. Maynard & Co., international management consultants with headquarters in Pittsburgh, was incorrectly identified in our November issue as being a New York firm.



level with yourself

You're a smart person, or you wouldn't be holding a position in chamber of commerce management.

But are you smart enough to admit that the "on-the-job training" you get every day is not enough? That it takes something more, these days, to move ahead in this profession—to gain bigger responsibility, earn more money? To handle the increasingly important job you have?

It does take something more, you know.

And *Institute* provides it.

"I have just concluded my eleventh year of involvement in the Institute program. My enthusiasm has never waned. This self improvement program is a must for every organization executive."

*Thomas N. Stainback

President, American Chamber of Commerce Executives

Executive Vice President, Greater Cincinnati Chamber of Commerce

There's nothing flimsy about the information you get

in an Institute classroom. It's solid. Geared to your needs, as an organization leader. As timely as the community problems piled on your desk right now.

You can prove it to yourself by browsing through the 1969 Catalog of the Institutes for Organization Management-Chamber of Commerce Executive Development Program. Send for one today.

At every level—Principles of Management Advanced Management Studies, the Academy for Organization Management, the Postgraduate Seminar—the Institute offers solid substance, usable ideas, valuable information.

Level with yourself. Admit that Institute offers something to you.

Enroll at the level of Institute education for which you qualify.

You'll be getting the something more your job requires these days.

On the level.

Institutes for Organization Management
1615 H Street, N.W., Washington, D.C. 20006

How to handle seasonal peaks without spending much money.



N
↑
S

W ← → E

**HYSTER®
RENTAL
SYSTEM**

Rent from Hyster Dealers. Get the newest model high-production lift trucks. Gas, LPG or diesel. Low rental rates include maintenance—everything except the driver and fuel. It's the economical way to operate when extra work or increased volume puts you in a bind for another lift truck. You may discover renting from your Hyster Dealer is less expensive than owning. Any of the Hyster dealers on the opposite page can figure a rental vs. ownership cost comparison based on your operation, your requirements. Ask. No obligation. Call today—or write for full information.

HYSTER COMPANY

HYSTER RENTAL SYSTEM • P. O. BOX 4 • PLAINVIEW, NEW YORK 11803

Rent it new. Rent it now. Rent Hyster.®

See these Hyster dealers:

Akron, Ohio (216) 724-9316
Albany, New York (912) 436-3155
Albuquerque, New Mexico (505) TR7-0550
Allentown, Pennsylvania (215) 395-2863
Atlanta, Georgia (404) 361-5300
Augusta, Georgia (404) 722-2768
Baltimore, Maryland (301) 682-3300
Bangor, Maine (207) 942-4838
Binghamton, New York (Vestal) (607) RA9-9121
Birmingham, Alabama (205) 595-2194
Boise, Idaho (208) 344-3947
Boston, Massachusetts (Cambridge) (617) EL4-3331
Buffalo, New York (716) 634-5800
Charleston, South Carolina (803) 723-4874
Charleston, West Virginia (304) 342-0136
Charlotte, North Carolina (704) 588-1300
Chattanooga, Tennessee (615) 892-3810
Chicago, Illinois (Bellwood) (312) L14-0700
Cincinnati, Ohio (513) 681-2300
Clayton, New Jersey (609) 881-1393
Cleveland, Ohio (216) LA4-4141
Columbus, Ohio (614) 443-4688
Concord, New Hampshire (603) 224-4063
Dallas, Texas (214) RI1-3351
Dayton, Ohio (513) 278-4804
Denver, Colorado (303) 433-6413
Des Moines, Iowa (515) AT8-0123
Detroit, Michigan (313) 566-2650
Elkhart, Indiana (219) JA3-5644
El Paso, Texas (915) 532-3213
Erie, Pennsylvania (814) 453-6781
Eureka, California (707) 443-3015
Evansville, Indiana (812) 423-7771
Fayetteville, North Carolina (919) 483-9025
Fort Wayne, Indiana (219) 745-2765
Fresno, California (209) AD7-9113
Girard, Ohio (216) 545-4331
Gnadenhutten, Ohio (614) 254-4395
Grand Rapids, Michigan (616) LE4-4927
Greensboro, North Carolina (919) 275-4526
Greenville, South Carolina (803) 239-9687
Honolulu, Hawaii 583-689
Houston, Texas (713) CA5-5341
Idaho Falls, Idaho (208) JA3-0822
Indianapolis, Indiana (317) 244-3333
Jackson, Mississippi (601) FL4-3516
Jacksonville, Florida (904) EL4-4681
Kansas City, Missouri (816) V12-5457
Kaukauna, Wisconsin (414) 766-5521
Lansing, Illinois (312) 568-2240
Lexington, Kentucky (606) 252-0386
Lima, Ohio (419) 225-3015
Little Rock, Arkansas (501) 945-4568
Los Angeles, California (213) RA3-6255
Louisville, Kentucky (502) 778-1671
Lubbock, Texas (806) SH7-2788
Marion, Ohio (614) 382-8110
Medford, Oregon (503) 779-3444
Memphis, Tennessee (901) 396-5595
Miami, Florida (305) PL9-6644
Milwaukee, Wisconsin (414) 781-4545
Minneapolis, Minnesota (612) 729-8361
Mobile, Alabama (205) 471-1501
Moline, Illinois (309) 762-0415
Nashville, Tennessee (615) 255-0449
Newark, New Jersey (201) AT8-1441
Newington, Connecticut (203) MO6-5431
New Orleans, Louisiana (504) 524-8601
New York City, New York (212) IL7-2666
Norfolk, Virginia (703) 627-2548
Oklahoma City, Oklahoma (405) 235-3449
Omaha, Nebraska (402) 331-7300
Orlando, Florida (305) 241-3607
Peoria, Illinois (309) 685-4024
Philadelphia, Pennsylvania (215) CA4-4600
Phoenix, Arizona (602) AL8-7151
Pittsburgh, Pennsylvania (412) 892-2666
Plainville, New York (516) WE5-8660
Portland, Oregon (503) BE4-6471
Richmond, Virginia (703) 232-7816
Riverside, California (714) 684-2261
Roanoke, Virginia (703) 342-2966
Rochester, New York (716) 325-6410
Rockford, Illinois (815) 964-3249
Sacramento, California (916) IV3-5528
Saginaw, Michigan (517) 752-8121
Salt Lake City, Utah (801) DA2-5631
San Diego, California (714) 278-9100
San Francisco, California (415) PO1-1600
San Jose, California (408) 297-8760
Schenectady, New York (518) 355-9700
Seattle, Washington (206) RO3-0250
Seattle, Washington (For Alaska) (206) BA6-6400
Shreveport, Louisiana (318) 424-5329
Spokane, Washington (509) KE4-0678
St. Louis, Missouri (314) LI2-1855
Syracuse, New York (315) MO3-9511
Tampa, Florida (813) 626-4153
Toledo, Ohio (419) 479-2223
Trenton, New Jersey (609) 695-6159
Tucson, Arizona (602) MA4-2335
Tulsa, Oklahoma (918) LU5-5702
Waco, Texas (817) SW9-6001
Walden, New York (914) 774-0501
Westbrook, Maine (207) 854-8411
Wilkes-Barre, Pennsylvania (717) 287-6480
Williamsport, Pennsylvania (717) 494-1500
Yakima, Washington (509) CH8-5636
York, Pennsylvania (717) 845-1631

In Canada:
Calgary, Alberta (403) 253-5558
Edmonton, Alberta (403) 489-5521
Montreal, Quebec (514) 342-9570
Ottawa, Ontario (613) 722-3431
Prince George, B. C. (604) 561-0442
Quebec, Quebec (418) 681-0519
St. John's, Newfoundland (709) 579-1131
Toronto, Ontario (416) 421-3553
Vancouver, B. C. (604) 254-5411
Winnipeg, Manitoba (204) 942-0661

Executive Trends

- Chief executive's duties
- What your degree's worth?
- Christmas giving—and getting

Spelling it out— what the boss does

Job descriptions are for hired hands—not for the head man. Right?

Most corporations once had that philosophy. But fewer have that attitude now.

In 1961, The Presidents Association, Inc., New York, asked members if they had a written description of their president's job. Most, 52 per cent, said: No.

Answering the same query this year, the Nos were down to 38 per cent.

Presidents who like to have their duties down in writing cite these advantages:

- It's useful to analyze all jobs and relate them to the whole corporate structure.

And the logical place to start is at the top.

- This tends to bring to light any gaps or overlaps in authority or responsibility.

- When the board chairman, not the president, is chief executive officer, a blueprint helps make clear who does what.

Most companies break the president's job down under major topic headings, like this:

1. Basic description of the position.
2. Scope of the job.
3. Specific duties and responsibilities.
4. Relationship to other officers.

Organizing is the duty mentioned most often (100 per cent), followed by planning (78.6 per cent), controlling and making policy—both 50 per cent.

The sample was small but representative, the Association says.

Sorting out the seniors

"Too many campuses to cover," college recruiters complain.

But some companies—among them J. C. Penney Co., Inc., E. & J. Gallo Winery and Philip Morris, Inc.—have found a shortcut. They subscribe to a computer service that matches collegians with careers.

More than 80,000 seniors and students, at 800 selected colleges and universities, are in COMPUJOB, Inc.'s data bank. Each one fills out a detailed questionnaire that covers education, job likes, work experience and goals.

His answers add up to a good personality profile, too.

Corporate clients describe what kind of career men and women they need—and where. COMPUJOB's computer pulls out the names of those who fit best.

"Actually, it's pre-screening," one executive says.

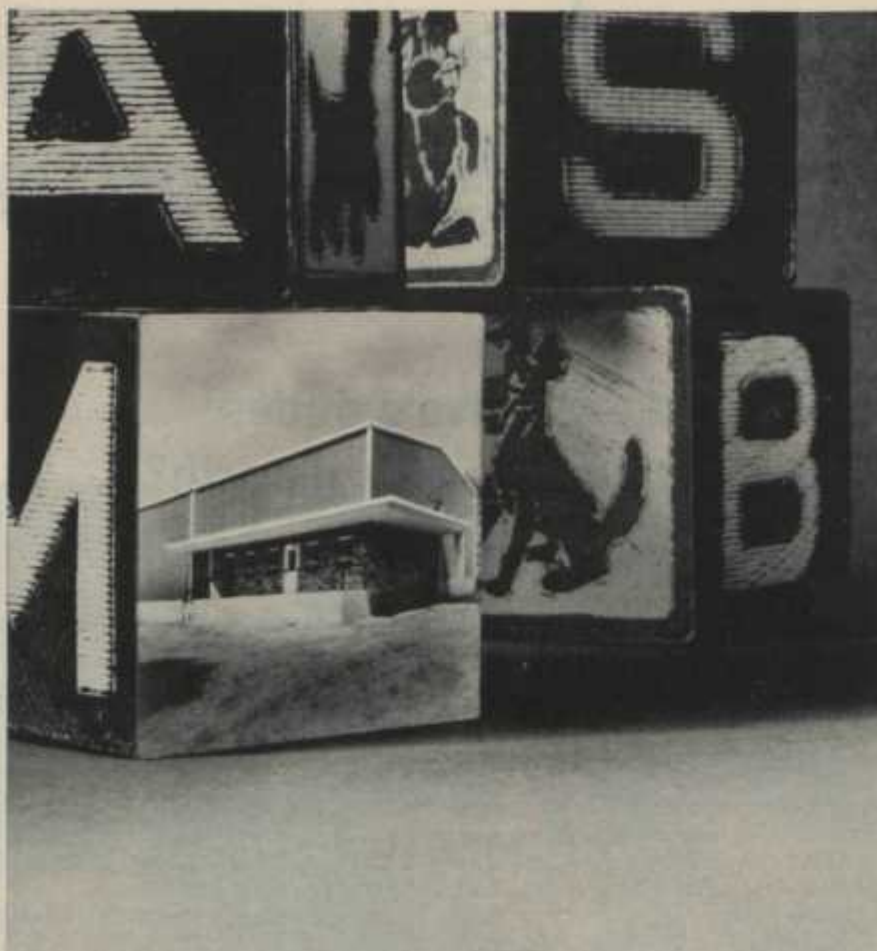
"We make our final choice only after talking to two or three who seem to be the closest match.

"But it saves us a heck of a lot of wheel-spinning, and wear and tear on our recruiters."

Handy—but hang on to 'em

Every year, about one out of 10 credit cards is lost—or stolen.

But you can be protected. Experts estimate that fraudulent use of swiped or mislaid credit cards comes to about \$40 million a



Building Simplified

Dixisteel has reduced the elements of building to their basic simplicity.

The savings that result can be spectacular, and so can the time.

You choose from 6000 basic designs, with every component of every design pre-engineered and proved in use. Construction flows like clockwork and so do savings.

Factory, office, showroom, warehouse — Dixisteel can deliver more building for less money in less time.

With nearly 200 dealers in 35 states and overseas, we aren't just whistling Dixie. Clip the coupon below and make us prove it.

Please check one.

☐ I am considering building in the immediate future. Please contact me—without cost or obligation on my part—regarding your free estimate. Approximate size _____ feet x _____ feet.

☐ No, I don't plan to build right now, but please send free brochure showing types and specifications of Dixisteel buildings.

Name _____ Title _____

Company _____

Address _____

City & State _____ Zip _____

NB-7



Dixisteel Buildings, Inc.
(A subsidiary of Atlantic Steel Company)
P. O. Box 1714, Atlanta, Georgia 30301

EXECUTIVE TRENDS

continued

year. So if yours vanishes, be sure to report the loss at once.

Many insurance companies will cover you against misuse of lost or stolen credit cards—or charge plates. Often you can get coverage from a rider on your homeowner's policy, or on your company's fidelity bond—sometimes called a blanket crime policy.

Rates are fairly standard nationwide. They run from about \$8 for \$1,000 to \$24 for \$10,000. That's for three year's protection.

For local rates, ask your fire and casualty agent or broker.

Not only for the giants

Need a computer?

Half of the computers in this country, some 20,000, are small ones. That means they rent for about \$1,000 to \$3,000 a month—or sell from \$45,000 to \$135,000.

Sales price is usually about 45 times monthly rental.

By 1980, one expert estimates, there'll be 60,000 small computers humming away vs. only 25,000 big ones.

Why?

Because more and more small businesses will own or rent one, according to G. de Sabata, manager, small computer marketing division, General Electric Co.

When is buying or renting one worthwhile?

"One accepted guideline," he says, "is whenever the cost of the equipment utilized to handle routine office jobs within the company (like payroll and billing) exceeds \$500 to \$700 a month."

When executives give—and get—gifts

Would you believe a battery-powered back-scratcher?

One you can also shave with—or use to brush your teeth?

This triple-threat gadget has changeable heads and is handy for travel use. It's a popular executive gift this year, one authority maintains. Novelty, and its price tag, recommend it.

"Most business gifts sell for under \$25," says Robert C. Rollings, president, Specialty Advertising Association, Chicago, Ill. "You can spend up to \$25 per person per year on gifts and deduct it as a business expense."

"Business gift-giving will hit a

Safety pays

Now, two of America's safest investments pay higher interest. U. S. Savings Bonds earn 4.25% and Freedom Shares earn a full 5%, when held to maturity.

Both are part of the surest and soundest employee benefit plan available . . . the Payroll Savings Plan.

Here's how it works.

When your employees purchase Series E Savings Bonds through your company-operated Payroll Savings Plan, they have the option to buy higher-paying Freedom Shares, too, on an approximate one-for-one basis. Only one deduction is necessary to apply toward the Bond/Freedom Share "package."

By promoting the Payroll Savings Plan in your plant, you're helping your employees by providing a convenient, automatic way for them to save. And money saved in this way aids in maintaining the stability of our economy, and helps to protect the value of the dollar — so you're helping your country, too, by encouraging broader participation in the Savings Bonds Program.

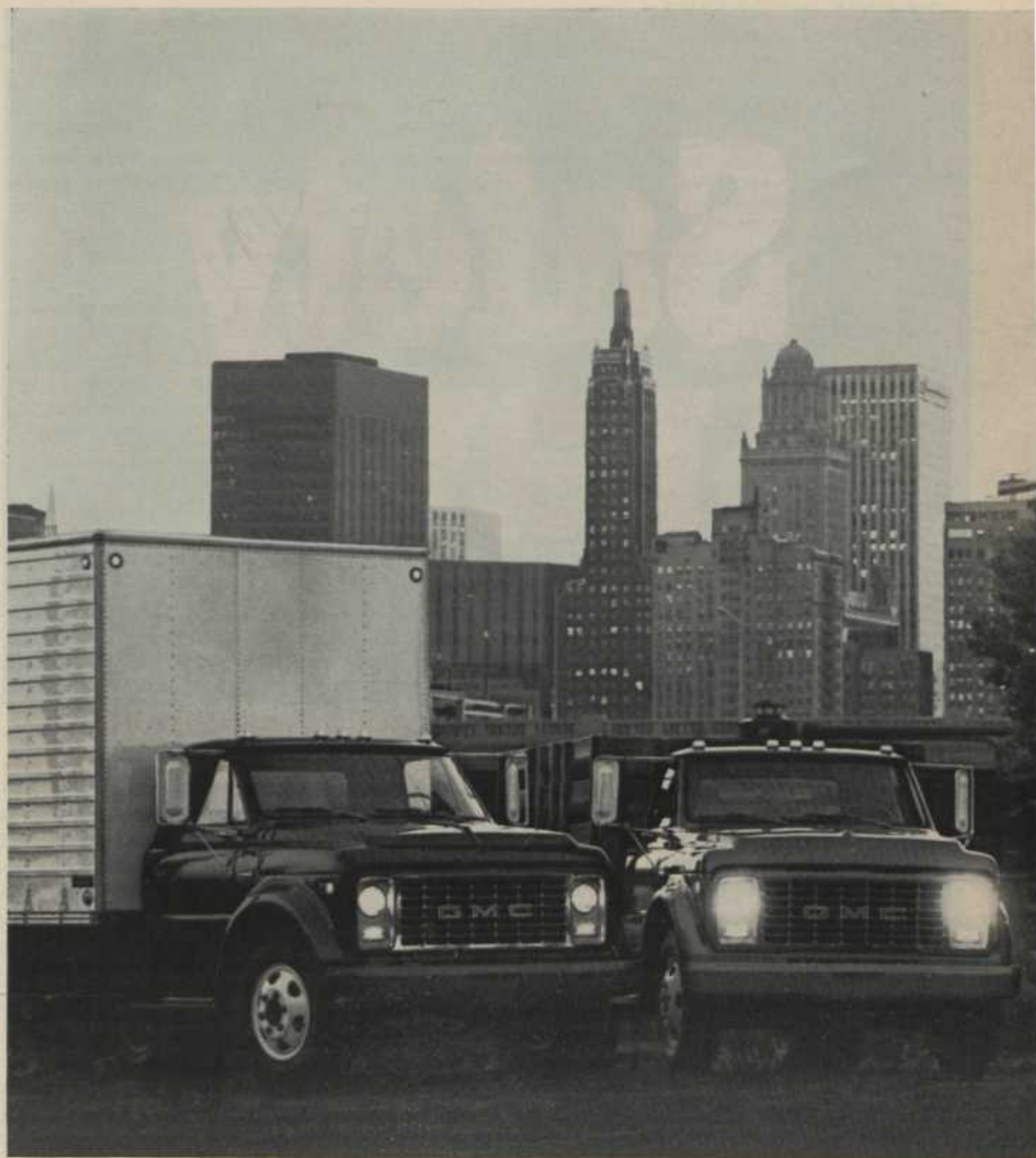
A complete kit is available with all the information and material you'll need to set up the Plan, if your company doesn't already have one in operation. Write to The Department of the Treasury, U.S. Savings Bonds Division, Washington, D. C. 20226.



In your plant . . . promote the Payroll Savings Plan for U. S. Savings Bonds.



The U.S. Government does not pay for this advertisement. It is presented as a public service in cooperation with The Department of the Treasury and The Advertising Council.



**New from GMC:
a full line of
medium-duty gas V-8's
built to shake up your
ideas about trucks.**

*Now whatever your medium-duty job,
there's a GMC to help make it more
profitable.*

You've probably heard us say we're the truck people from General Motors. We say it because we want you to know that we know trucks and design them for trucking industry needs—from the smallest pickup to the biggest over-the-road job.

That's our business and we try to do it a little better than anybody else.

This year, for example, we introduce a whole new line of medium-duty V-8's. A line second to none in the industry.

For proof, simply check over the 96" cab we're offering. You get exceptional visibility through a thick, laminated glass windshield. You get high-level ventilation, safety door latches and hinges, push-button



door locks, a dome light, easy-to-operate, easy-to-see instruments, an alligator hood, chrome grille, a 70 amp. battery. All standard items.

The cab is built with two, thick walls of steel all around. The roof is fully insulated, too. There's plenty of leg and knee room inside with big, full-foam cushioned seats for maximum driver comfort. And the interiors are color-keyed in six choices.

Our new short conventionals come in four series with wheelbases from 125 to 218 inches and GCW's up to 60,000 pounds. Our 6500 series offers a new tandem in six wheelbase models, three with vacuum brakes and three with full air brakes. To fit your operation, we offer a choice of three V-8's from GMC 200 h.p. to the big GMC 260. And these GMC V-8's are rugged. They're built to work and work hard with a minimum

of maintenance. We know the less pampering you have to do means the more profitable are the hours you spend on the road.

Why not let one of our dealers outfit a new gas GMC V-8 for your specific job.

We think you'll find when you do business with people who understand your business, you're going to have a whole lot more going for you.

Isn't that something to think about?

GMC

the truck people from General Motors

new high this Christmas," he predicts. "Companies will spend about \$400 million, \$30 million more than last year, to buy some 70 million gifts. Average cost: \$5.70.

"Most of them will go to good customers or good prospects; some to employees."

Other novelty items—under \$25—include: Rechargeable electric cigarette lighters—no fuel, flint or flame—and portable travel clocks. One type fits into the hub of an auto steering wheel. Another projects the time onto the ceiling of a darkened room.

Of course, you can spend more. Tiffany & Co., New York, reports sterling silver humidors popular with executives looking for a gift with a little extra impact. Price: \$300 and up. Also perpetual calendar, solar desk clocks that tell the day of the week, the month, the time, and never need winding: \$2,275. Or, if you don't mind winding, eight-day clocks that start at \$65.

For his personal bookshelf

If he laps up history, there's an

atlas that might be his dish. It's a "Pictorial Atlas of U. S. History," with 210 maps that illustrate highlights of American history.

Written for reading, as well as reference, it's published by American Heritage Publishing Co., Inc., New York, N. Y.

Or he might like Alexis Lichine's "Encyclopedia of Wines and Spirits." Most of the critics did. It's an authoritative, one volume guide to American, as well as imported wines, by name and by region. (Alfred A. Knopf, Inc.)

For the outdoorsman, "The Sportsman's Companion" is a possible choice. Winner of the Abercrombie & Fitch Award, it's a compendium of advice on how to identify, stalk, fish and hunt for North American fish and game (Harper & Row, New York, N. Y.)

Then if he's the forgetful type, or needs to get organized, "The International Reference Day Book 1969," could be handy. It's a desk diary, with space for entries, day by day, hour by hour. It includes air mileage and time chart between world's major cities. (Crowell Collier and Macmillan, Inc., New York.)

Return of the road show

Jet engines screamed, scenery rushed by at 120 miles an hour—and 128 travelers were airborne, without ever leaving the ground.

American Air Lines, Inc., gave 2.3 million passengers that kind of a ride this year inside its new "Astrosphere." It's a huge, inflatable building that housed a mock-up of a 707 jet—complete with sound effects and hostesses.

Only the hostesses were real.

Presumably, if the riders like the trip, they'll be tempted to try the real thing.

The Astrosphere recently wound up a nationwide, 80-week run of 40 big shopping center parking lots.

"It's a great promotional device," says Michael St. John, father of the brainchild, president, Michael John Associates, New York communications consultants.

"You can pick the income level of your audience by the way you choose your shopping center. And shopping centers love to get a free show to boost business."

What your degree is worth

The answer is "Plenty."

A new Office of Education study, based on Census Bureau statistics, shows that the dollars and cents value of that sheepskin keeps climbing.

Lifetime (age 18 to death) income of American men with five or more years of college averages \$586,905—up \$146,000 from 1958.

Here are other average income figures:

	1958	1966
HIGH SCHOOL		
1 to 3 years	\$203,901	\$283,718
4 years	\$242,480	\$340,520
COLLEGE		
1 to 3 years	\$287,305	\$393,969
4 years	\$363,986	\$507,818
4 years or more	\$401,819	\$541,911
5 years or more	\$440,404	\$586,905

So the high school student who drops out is making a \$300,000 decision.

That's the difference between his expected lifetime earnings and the young man with five years of college.

Might be helpful to point out to your youngster.

Let Kelly Girl® punch holes in your overtime.



KELLY
SERVICES®

Kelly Girl. Available on a long-range or day-to-day basis. Help when you need it. For any office job.

When the Founding Fathers first started kicking around the powers and duties of a national executive, they debated whether he should be a single magistrate with real responsibility or simply a creature of the Congress. One early proposal was that the executive power shall be vested in one person to be appointed for a single term of seven years by the Congress.

Under that proposal, the executive would execute the laws and appoint officers not otherwise provided for by the Constitution. It was contemplated at the time that the Senate would be empowered to appoint ambassadors and Supreme Court justices, and even to make treaties. In working over the drafts, the term was made four years (with no bar on the number of terms, until the two-term amendment 160 years or so later), the election of the President was taken away from the Congress and given to electors, and the power of appointments of ambassadors and federal judges was given to the Chief Executive, with the advice and consent of the Senate.

But, despite all their wisdom, the Founding Fathers had no conception of a job that has come to be one of the most visible and vital in the whole Presidential complex—that of the press secretary. The Fourth Estate was not esteemed by the men who framed the Constitution, although the First Amendment assured its freedom, and the idea of having a special officer charged with the care and feeding of journalists surely would have caused a run on antacid substances of the time.

President-elect Nixon has announced that he will not technically have a "press secretary" by that specific title. However, Ron Ziegler, a "special assistant" to the President, apparently is to act in a capacity similar to the official White House spokesman.

Some press secretaries of recent vintage had more pizzazz and personality than others. A few



BY PETER LISAGOR

A MOST VISIBLE AND VITAL MAN

were the selfless servants of the President, who performed their tasks with as much anonymity as the press would permit. Some were charismatic characters in their own right, who made of the newsmen a kind of floating constituency. And a few were men of indisputable power and influence.

The press secretary didn't come into his own perhaps until James C. Hagerty's reign as President Eisenhower's spokesman. Until the Hagerty era, the chief White House spokesman was often the President himself. Both Franklin D. Roosevelt and Harry S. Truman had able press secretaries, several of them, but both men enjoyed the working newsmen who inhabited the West Lobby of the White House and preferred to be their own conduits for important news.

FDR abandoned the system of written questions which Coolidge and Hoover had required, and jostled with the press on a spontaneous basis. In his book, "The Splendid Misery," the veteran Associated Press reporter Jack Bell recalled the zest with which FDR greeted his encounters with newsmen.

"Perhaps the quickest and best phrasemaker who ever inhabited the White House, FDR was a President after a newsmen's heart," Bell wrote. "He talked in headline phrases. He acted, he emoted; he was angry, he was smiling. He was persuasive, he was demanding; he was philosophical, he was elemental. He was sensible, he was unreasonable; he was benevolent, he was malicious. He was satirical, he was soothing; he was funny, he was gloomy. He was exciting. He was human. He was copy."

Clearly, Bell was an admirer of FDR's theatrical press conferences, as well as a critic. Stephen Early, Roosevelt's press secretary, was a self-effacing man, fully aware that his tasks were perfunctory and routine, and that when news was to be made, his boss would make it.

Mr. Truman was not a phrasemaker and cared little for the sly and devious response at news conferences. He was refreshingly plain and direct, and he never tried to conceal his admira-

Contributing columnist Peter Lisagor is White House correspondent for The Chicago Daily News.

tion for the working reporters at the White House, even though he often conducted a minor vendetta against some of their publishers.

Bell related how Truman once invited reporters to join him at a fishing lodge in Tennessee. The invitation was extended through Charles G. Ross, a veteran Washington correspondent before he became Truman's press secretary. Ross told the reporters that the President wanted them to come over for an informal chinfest and that it would be off the record.

After the reporters had sampled the Presidential bourbon, Mr. Truman submitted to a news conference in which, almost casually, he revealed that the U. S. was going to keep the atomic bomb secrets and not share its know-how. The bomb had been dropped on Japan only a month or so before, and this was big news. Although the nearest telegraph line was some 30 miles away, the reporters decided to make a break for it, especially when the President overruled his press secretary and put the remark on the record.

The President was dismayed as the reporters started for their cars. "Hey, wait a minute, you guys," he was quoted by Bell as saying, "I invited you over for a little social visit and now you're running out on me." The reporters agreed to return once they had filed their stories.

When this columnist first came to Washington, his bureau chief took him to a Truman news conference. Afterwards, he met the President in a small anteroom. Mr. Truman was amiable but direct, "I don't like your paper, young man; it's never said a good word about me." The President was told it was good to know where one stood with him, and he smiled to reassure me that he forgave me the sins of my publisher.

Under Eisenhower, Hagerty gave a new dimension to the role of the press secretary. Ike was less accessible than others, and Hagerty's word was law. A tough former newspaperman, Hagerty won his boss's confidence and trust early in the Administration, and he was privy to the important affairs of the White House. He was also quite discreet. In time, he felt so closely identified with the President that he began to use the collective pronoun "we" in his answers. Once, it was mistakenly reported that the President had a nosebleed while flying to Chicago, accompanied by Illinois' Sen. Everett M. Dirksen.

Asked about it, Hagerty replied, "Oh, you

thought it was us, huh? No, it was Sen. Dirksen." Hagerty worked overtime to keep the Presidential image scrubbed and glowing, and his value was dramatized when the President was stricken with a heart attack in Denver.

Mr. Eisenhower told his doctor, "You tell Jim for me to take over." The Founding Fathers would have been aghast that a position they had not dreamed of could have become as powerful as the press secretary's became at that point. Several reporters wrote that Hagerty in effect acted as President for about a week.

Pierre Salinger brought a swinging style of sorts to the press secretary's portfolio under John F. Kennedy, who was in most ways his own news purveyor. Salinger was not always as fully informed as Hagerty and did not have the latitude of his predecessor under Ike. But he added wit and a lilt to the press office operations, and if he didn't always inform, he almost invariably amused. Salinger stayed on a while after Lyndon B. Johnson came into office, and LBJ was sometimes nonplussed by Salinger, or so he claimed. "Pierre used

to bull his way through questions with answers I never heard of," LBJ once remarked, partly irked and partly in awe.

George Reedy, a longtime LBJ hand, took over from Salinger and was the epitome of the cautious, self-effacing spokesman who made a career of the words, "no comment," because that was the way the President wanted it, and Reedy was dutiful to a fault. Reedy's successor, youthful Bill D. Moyers, was confident enough and had been with LBJ long enough to improvise a bit. He often provided reporters with useful background information which exceeded his writ and eventually brought him to grief with Mr. Johnson.

The latest of the White House spokesmen, George Christian, a low-keyed Texan, self-possessed and unflappable, has been a faithful interpreter of the President's actions, if not moods. He has not been visibly goaded by ambition and has managed to live with a tough employer through a deep reserve of humor.

A press secretary is an agent of the President and has no truly independent life of his own. But because he is in daily contact with the press and is often the only available source in emergencies, he can wield substantial power and influence in a swift-moving, cosmetic age where somebody has to go before the camera in a crisis.





1988 Cadillac Fleetwood Seventy-Five Sedan and Limousine. Cadillac Motor Car Division

The only limousine designed specifically as a limousine is beautifully new this year. Its dramatic styling, nine-passenger comfort and outstanding performance make this Cadillac an even more rewarding investment.





The big one leases trucks or maintains yours or...

sells you specialized computer programs.
Or leases trailers. Or manages your fleet.
Or performs contract carriage.
Or engineers fleets of Fords and other fine trucks.
Or rents trucks short-term. Or...

The world's largest over-the-road
truck leasing company can solve any transportation
or distribution problem you pose.

Any Ryder office will tell you about
all the services of the big one.

SEE THE YELLOW PAGES UNDER "TRUCK RENTAL & LEASING"
OR WRITE RYDER SYSTEM, INC., BOX 816, MIAMI, FLORIDA 33133



In his disquieting book, "Danger in Washington," the former superintendent of schools in that city asserts that procedures now in force there are "a threat to free public education." He adds that this is the case "not only in Washington, but throughout the country."

Supporting that gloomy appraisal the education editor of *The New York Times* writes, apropos the protracted teachers' strike in that city: "the disintegration of the school system has become a possibility." He is talking of disintegration not in the racial but in the general sense.

Against this background a staff reporter of *The Wall Street Journal* investigates Russian educational policy and finds it "aimed primarily at finding the best students and then urging them on to greater academic achievements." That observer is especially impressed by the current Russian discrimination in favor of demonstrated ability. Yet this sort of favoritism, as Dr. Carl F. Hansen tells his story, was the reason for his ouster last year as head of the public school system in the capital of the United States.

It is not surprising that there is a profound difference between the philosophy of public education here and in Soviet Russia. But it is startling to be told that we deny the value of competition in secondary education, even as the communists scrap Marxist theories of natural intellectual equality.

From our viewpoint the results of this ironical divergence are not happy. All over Russia, it is reported, there is a well-disciplined and well-accepted effort to move ahead in the vital educational process. In many of our big city school systems, on the other hand, unrest, frustration and professional pessimism are only too apparent.

In four separate areas one may now observe conditions which suppress individual distinction in our public schooling. Each is making a contribution to the present demoralization.

That most strongly emphasized in Dr. Hansen's book is the planned retardation of ability, illustrated both by the automatic promotion of incom-

FOUR THINGS THAT THREATEN OUR SCHOOLS



BY FELIX MORLEY

petent pupils and by the refusal to give any meaningful reports on individual performance. A big issue, in the case of the Washington superintendent, was his insistence on the "track system." This in general grouped students in accordance with demonstrated ability, though without denial of passage from the "basic" track to one of the three higher divisions. In a court decision, in June,

1967, a federal judge labeled this ability grouping discriminatory and therefore unconstitutional.

Since the local board of education made no appeal, the verdict stands; which makes it seemingly illegal for any public school in the country to classify pupils by ability, at least openly. Of course competent and courageous teachers will continue to give special consideration to able students. Without such stimulative direction the process of education would be unworthy of that name. But this *cause célèbre* in the nation's capital has been an encouragement to mediocre performance in every public school. It sanctifies the already strong position of those who think there should be no competition except in athletics.

This helps to emphasize that the teaching profession itself is the second educational field in which initiative is now actively discouraged. Here, too, Dr. Hansen's observations are timely, especially in regard to the unionization of teachers. As he aptly observes, this development inevitably discredits the teacher who puts the training of his or her pupils first. From the union viewpoint featherbedding is preferable to speed-up and any instructor who opposes a strike call is a potential scab.

Moreover, unionization builds a wall between the teaching and the administrative divisions in

Contributing columnist Felix Morley is a Pulitzer Prize-winning former newspaper editor and college president.

the public schools, even though close relations between these functions are essential.

Dr. Hansen wrote "Danger in Washington" with special reference to that city, and before the protracted teacher strike which paralyzed the New York city schools for a large portion of the current academic year. Otherwise his comments on "the growing unproductiveness of the teacher" might well have been stronger. Regardless of the rights and wrongs in the New York or any other particular issue it is clearly demoralizing for the pupils when teachers strike. The psychological effect goes far beyond the loss of study time.

When teachers play hookey *en masse*, why should pupils feel any obligation to take their studies seriously? What arguments can a dropout teacher use to influence a pupil who would like to do the same? And why not have truant officers for defecting teachers as well as for the defecting taught?

Ill-judged intervention by the federal government has in many instances proved itself a third demoralizing factor in public education. Here Dr. Hansen has certainly been close to the source of the difficulty. In the Washington "showcase" he has witnessed the development of an enforcement machinery that "has reached an incomprehensible complexity, and promises to grow in this respect . . . until it becomes unmanageable."

Interference with the administration of the schools is justified by the federal funds made available to them. But these are channeled through many uncoordinated agencies with divergent and often rapidly shifting programs. Probably every school superintendent in the country could give illustrations of this confusion but one seems especially pronounced in Washington. This is the practice of governmental agencies in luring good teachers from their work to give them "advisory" or "consultative" jobs at higher salaries.

Sometimes, Dr. Hansen charges, the real purpose of this poaching is to develop parental "militancy" towards public school administration.

Even without such intolerable activity the general morale of pupils in the big city schools is bad enough to define it as a fourth area where education, in any true sense of the word, is moving backwards. Senseless vandalism shows a repugnance to the public school system as such and has reached a stage where the mere repair of wantonly damaged property is often a sizable budgetary item. Most disastrous for educational

standards is the sexual promiscuity now apparent in city high schools. This seems to be extremely serious in the District of Columbia, where Dr. Hansen estimates a "one-out-of-10 chance that the Washington schoolgirl will bear a child out of wedlock."

On the other hand there are signs that in working down into the high schools the college demand for "student power" has constructive aspects. This can be seen in uncensored publications which question the alleged right of public school teachers to strike, and ask why competition for grades is not as desirable as competition for the football team. If questions like this are being planted in juvenile minds by anxious parents, so much the better.

Dr. Hansen's rather angry reply to those who forced him from superintendence of the Washington public schools is sometimes, as he himself admits, "abrasive." It will stir controversy. That is all to the good for most of the points made by this pugnacious Nebraskan are applicable in some degree to the public schools in every large American city.

Most of his points will be difficult to ignore, and even more so to brush off. It cannot be charged, for instance, that this superintendent was ever opposed to integration, which he worked resolutely to forward. Anyway this can scarcely be called an issue any longer in the District of Columbia, where only 6.5 per cent of the total public school attendance is now white.

The Supreme Court has certainly compounded the problems of the public schools, but many of them were germinating before the historic decision of 1954. The roots run deep, to curious and eventually self-destructive educational theories that were making headway even before the First World War. One of these is that a democratic system demands indulgence for the incompetent. Its twin maintains that discipline of any kind restricts the development of personality.

If these wholly permissive ideas are to control in our public schools, neither Khrushchev nor any of his successors in the Kremlin will need to worry about burying us. We'll do the interment job for them. As Dr. Hansen asks poignantly, at the close of his important study:

"How can America become great—or even survive as it is—without intellectual excellence? How long can this nation continue to disdain the academically gifted among its young?"



THEY WON'T STOP JUST AT THE KNEE

BY ALDEN H. SYPHER



How are your knees these days?

The federal government wants to know, especially if you've been in an automobile accident.

In fact the government has entered into a rather serious study of knees, both women's and men's, with the intention of keeping them in good shape (if they've ever been in good shape) even through a head-on crash.

To start its study of knees, the Federal Highway Administration has awarded The Franklin Institute of Philadelphia a \$40,000 contract to find out how knees fare in vehicle crashes with the goal of improving design to prevent injury to the knees.

This, of course, is a project that will win the applause and support of every serious-minded girl watcher in the nation.

There are certain to be some, however, who will applaud the direction of Washington's thinking, but will be highly critical of the quite shallow depth of the study.

There is much to be said on their side.

What of the calf? The ankle? Certainly a slim, well turned ankle has as much interest as even a dimpled knee. To taxpayers, if not to the federal government.

And really serious girl watchers, it is said, often just glance at knees and save their more serious stares for other areas.

What of these, Washington?

What of the nose? The ears? What's going to be happening to the nose when the knees get banged up in a vehicle crash?

What good are knees protected by improved design going to be to a girl whose nose is spread all over her face?

But those who fear that Washington will stop at the knee, just don't know federal bureaucrats. Never underestimate those fellows. They'll keep going until the whole body is gone over. Thoroughly.

It will take time. The government is big and more than a little clumsy. It moves slowly. But it moves.

Persons really intent on saving knees ahead of all other parts of the body in auto crashes—generally known as "save the knees and the

devil take the hindmost" thinkers—certainly must be disappointed at the extremely modest size of the award.

Only \$40,000 for knees out of a total of \$13.8 million the Federal Highway Administration has for research this year.

It is particularly measly when that Administration is spreading research money like a happily (but clumsily) skipping flower girl strewing rose petals in the path of a bride.

The Highway Administration tossed out \$1.1 million on the day it launched the government's knee study.

The University of Michigan, for example, is getting \$65,000 "to test and evaluate vehicle braking systems to determine the degree of pressure needed to be exerted on a brake pedal to decelerate vehicle and be able to maintain safe control."

"Automotive manufacturers," said a Detroit auto man when asked about this one, "plus Bendix, Kelsey-Hayes and other braking system suppliers to the industry have spent untold millions of dollars in testing and evaluating braking systems.

"I'm quite sure that they know many times more than the University of Michigan can learn about 'the degree of pressure needed to be exerted on a brake pedal to decelerate vehicle and be able to maintain safe control.'"

In another award the University of Michigan is getting \$181,000—more than four and one half times the knee allotment—to work at improving the safety of seat belt design through simulated lab tests using dummies and people. And in still

Contributing columnist Alden Sypher is former editor and publisher of NATION'S BUSINESS.

another award the same university gets \$78,000 to survey the current and projected labor demand for vehicle mechanics. Under this award the university also must determine entry requirements for beginners, set guidelines for entry level training and prepare a course guide, instruction plans and lesson material to be used.

One that got away from Michigan was an award of \$182,300 to International Textbook of Philadelphia to study auto owner maintenance practices and attitudes to find ways to provide adequate maintenance.

All of Michigan's awards and that of International Textbook have one thing in common: The industry has been doing the very same things for many years.

The shortage of trained automobile mechanics has been a problem for decades. Because it has been a severe problem, the subject has been studied and researched by the industry about as thoroughly as possible.

Auto manufacturers have written textbooks and training guides. They have sponsored mechanic schools. They have spent millions of dollars recruiting candidates for their schools.

General Motors, for example, operates 30 training centers where 3,000 men have been enrolled in the past three years.

The car makers also have spent years working on seat belt design, trying to improve their safety characteristics and—perhaps more important—improving their handiness by retraction, and in other ways, so that more drivers and passengers will use them.

But owner maintenance practices and ways to provide adequate maintenance—that's one on which the auto makers have really specialized.

Why not? Getting cars back into their dealers' service departments is good business any way you look at it. It adds to the dealers' dollar volume, and establishes a return pattern through which the dealer will sell more cars. What makes dealers happy also makes manufacturers happy, for the dealers are their only customers.

Periodic preventative maintenance also keeps cars on the road, and makes happier customers.

So the manufacturers found a very effective way of promoting good owner maintenance prac-

tices—they tied it to the guarantee on their cars.

Thus the booklet recording maintenance on each new car, requiring the dealer's stamp if he does the work, or the periodic validation of the guarantee by the dealer if he doesn't.

Even for \$182,300, International Textbook is going to have to work hard to think up a better incentive than that one.

All of which brings up obvious questions of why, during times of surtaxes, budget deficits and tremendous war costs, a federal agency is spending money for information which seems to be already available.

There's more enlightenment coming to the bureau though, in addition to its enlightened concentration on knees.

The Highway Administration also awarded \$10,000 to another government agency, the National Academy of Sciences, "to provide literature pertaining to highway and vehicle safety performance and furnish monthly reports of current research related to highway and vehicle safety areas."

It seems possible that under this contract the Federal Highway Administration might find out what's going on in the automobile industry. The bureau's spending for research without taking into consideration the work already done in the industry hardly measures up to the standard of management the people who put up the money might expect.

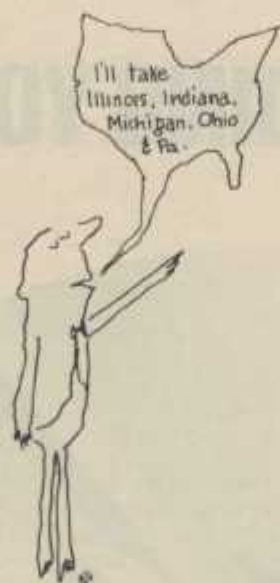
But that's not nearly as serious a question as another raised by the award of \$78,000 to Michigan to study the need and make recommendations for the training of auto mechanics.

The U. S. Department of Labor has been awarding contracts to train mechanics for nearly four years.

It may be assumed that the Labor Department didn't enter into such contracts without first having researched the number of mechanics needed, the training problems involved and the lesson materials and equipment needed by their contracting school operators, which include the Chrysler Corp., the United Auto Workers Union, Volkswagen and a number of automobile dealers in larger cities.

Perhaps the Federal Highway Administration should stick to knees after all.





How to sell a select market market.

Advertise here. Using Select-a-Market. With Select-a-Market you can sell precisely the people you want to sell. By making up your own regional edition of our magazine. You simply pick any combination of adjoining states where our circulation totals 200,000 or more. (Pacific Coast edition available with 113,000 circulation.) The editorial matter is like our national edition. There's a big difference: your ad.

—Nation's Business.

UNIONS ARE RAIDING YOUR RIGHTS



PHOTO: ADAMS STUDIO

They want to be in on management's decisions ranging from plant location to product pricing

A mob of employees, spurred by leftist agitators, pushed against the front gates, snapped the locks, overpowered the guards and stormed the factory. They swarmed over machinery, overturned executives' desks and sat on windowsills with rifles on their laps.

They demanded shares of the company and power to "co-manage" it.

It happened last spring—in France. But in the United States, employees—or, more correctly, labor union officials—for years have been grasping at traditional rights of owners and managers. Union encroachments here have been less violent but could be nearly as consequential as those in France.

Executives' present concern over the situation is revealed in a survey by NATION'S BUSINESS. Leading American businessmen were asked: "Do you foresee in the next few years increased demands by workers for a voice in the actual operation of U. S. companies?"

The vast majority replied Yes. Some comments:

"Unions will be seeking new areas of activity as their primary bargaining function becomes less vital, and as employees become increasingly interested in nonmonetary aspects of their working environment."—M. A. Wright, board chairman of Humble Oil & Refining Co.

"The idea seems to be spreading in spite of its unworkability."—Eldred H. Scott, senior vice president and controller, Detroit Edison Co.

"As labor's demands get com-

pletely unrealistic in the 'wage rise' field, companies and management might 'sell out,' giving workers more control in their companies"—the chairman of an Ohio van lines.

"Yes, as long as government (federal and state) continues favoring labor."—Harold Hafner, general manager of Monarch Steel Products Co., Inc., of Oakland, Calif.

"Continued pressure in particular areas (work rules, introduction of automation, pension management) can be anticipated by some companies."—George Champion, chairman of Chase Manhattan Bank.

Trend veils encroachments

There has been a trend in management philosophy in recent years toward more human relations, more democracy in administration, more participative management in which employees have a greater role in contributing to decision-making. Improved corporate communications also have made the employees of most large firms better informed about the activities and purposes of their company.

However, union-inspired moves to influence the operations and management of business now taking root seem to resemble what is flourishing abroad.

American businessmen, of course, are not as shackled as French owners and managers. No responsible person in high office has yet openly proposed that the United States adopt a "participation plan" such as that launched by French President de Gaulle.

The De Gaulle plan compels owners to share their profits with their employees; to disclose company affairs to unions; and, as an "obligation under law," to seriously consider employee proposals for running the firm.

Gen. de Gaulle also wants to weaken the anti-Gaullist French Senate by merging it into the Social, Economic and Development Council in which labor unions are strongly represented. This new group would be empowered to pass on all the nation's "economic" legislation.

Governments require co-management arrangements at plants also in Belgium, the Netherlands, West Germany, Austria and some African nations. Plant level "works councils" represent the employees in sessions with managers.

Francis A. O'Connell Jr., a longtime American scholar of management rights problems, observes, however: "There is a real question, in terms of both law and actual practice, whether the invasion of the management function hasn't proceeded further over here than in Europe."

Joint guidelines proposed

The genesis of what could be wide-scale co-management in the United States can be seen in a proposal drafted by Otto Eckstein, the bespectacled Harvard economist who was a member of President Kennedy's Council of Economic Advisers.

The Eckstein proposal would have

UNIONS ARE RAIDING YOUR RIGHTS *continued*

management representatives sit down with representatives of unions, the government and the "public sector"—including consumer and civil rights groups—as a permanent National Conference on Wage-Price Stability.

The conference would set suggested limits for "realistic" wage and price increases rather than relying on the self-adjusting aspects of a free market. Vice President Humphrey proffered the proposal to the public in his Presidential campaign.

Government intrudes, too

Federal government interference in management's right to price its products has been most dramatically apparent in recent years. The Kennedy and Johnson Administrations repeatedly forced rollbacks in prices through public condemnations of companies on the grounds that the price increases were inflationary and through threats to withdraw government contracts or purchases from such firms.

Gradual erosions of management prerogatives already prevail in the United States.

For example, there are certain conditions under which:

- Management must bargain with a union before it can subcontract work, close a plant, abandon an old product line, start a new line or introduce new materials or modern machinery.
- Management must bargain over whether a job can or can not continue to exist in its present form.
- Management must consult with a union before it can reprimand or fire an employee.
- Management must provide the union with inside information about the firm so the union can be in a better position to bargain against the firm.
- Management can not communicate with employees about bargaining issues during bargaining, and management's freedom of speech is even more severely cramped during union organizing campaigns.
- Management is forbidden from giving pay raises or added benefits to employees when a union decides it wants to organize the employees.
- Management can hire only persons who pledge to become union members.

Encroachments on employer functions, most businessmen agree, undermine the authority management

obviously needs to discharge its responsibility to control and operate the business for the stockholders' benefit. At the same time, the encroachments further strengthen union bargaining power.

Erosion of management rights can boost costs, block automation, stagnate business operations and retard competition. Carried to extremes it could wreak corporate chaos. Stockholders, realizing that unions could drain off the company's profits, might rush to unload their stock. The market could slump. Business, the backbone of America's strength, could weaken and atrophy.

Why do unions push so hard to take over management operations? Part of the answer lies in the lingering socialistic influences in American unionism.

Less ideological unionists see union participation in management as a handy way of getting from companies what they could not get in contract negotiations. They figure they can get what they want in bits and pieces by holding up any vital management decision with long haggling until they win a concession.

Some unionists disagree

A handful of unionists, on the other hand, actually opposes further union incursions on management rights. They realize that real security and progress for employees—and hence the unions—stems not from the unions, but from the owners and managers.

They know that in a free society a firm can survive and advance best when the men who are qualified and responsible for guarding the firm's welfare are allowed to make the decisions.

As Willard F. Rockwell Jr., board chairman of North American Rockwell Corp., tells *NATION'S BUSINESS*, "Labor wants the rewards and will not accept the responsibilities or risks which go with a real voice in actual operations."

Whether or not most union leaders want more voice in management the fact is that they have been getting the privilege in big loads from the National Labor Relations Board, courts and union-supported Congressmen.

In the past eight years the Board has made rulings that management lawyers claim far exceed the intentions of Congress in the National

Labor Relations Act, which the Board is supposed to administer.

The Act provides that unions shall have a voice in determining wages, hours and conditions of employment. Unions were expected to use this privilege in their collective bargaining over labor contracts.

Management lawyers insist that the Act did not provide, as the NLRB has been ruling, that unions also have a voice in any management decision that merely affects wages or conditions.

Wages and hours, the NLRB contends, could include such matters as prices, company-owned housing, types of product, Christmas bonuses, production volume, coffee breaks, methods of company financing and plans for health insurance, pensions, retirement profit-sharing and stock purchases.

The Supreme Court also has aided union expropriation of management rights and property. Through a series of decisions, the Court broadened the standard arbitration clause in labor agreements so as to require arbitration of matters that once were strictly reserved for management discretion.

Inverting the venerable concept of residual rights in contract law, the Court even ruled that a firm should have specified in its arbitration clause those matters that were not subject to arbitration. Thus all management decisions and actions not expressly excluded from arbitration in the contract became subject to the approval and perhaps revision of an outsider.

The Labor Board, in successfully arguing its case before the Supreme Court, contended that labor relations should be a "continuous collective bargaining process."

The NLRB and the courts have invaded the once-hallowed area of "free collective bargaining" itself. They have declared that management must sit down and bargain with unions over many types of decisions it once could make alone and without question. The NLRB even ruled in one case that when management does bargain it must be prepared and willing to give at least some ground to what the union wants.

Two years ago the NLRB showed how far it would carry this duty-to-bargain concept. It ruled that Westinghouse Electric Corp. had to bargain with a union over a penny hike

in the price of a cup of coffee and a nickel hike in hot food items in the employee cafeteria, although the decision to raise the prices had not been made by Westinghouse at all, but by an outside catering firm which rented the cafeteria.

A company's refusal to bargain with a union about a management decision can bring stiff penalties, depending on the whims of the NLRB and the courts. Consider the case of Fibreboard Paper Products Corp.

This firm had a unionized maintenance staff. The union kept demanding additional wages and benefits until the cost of the maintenance department became clearly uneconomical to Fibreboard. The firm decided to plug this drain on its operation by turning the maintenance work over to an outside firm at a considerable savings to Fibreboard. The NLRB ordered Fibreboard to cancel its subcontract for outside maintenance services, rehire the laid-off employees, give them back pay and then bargain with the union over whether or not it could contract out its work.

Some managements have been their own enemy in depriving themselves of management rights.

Sometimes management negotiators succumb quickly to such union demands as stock options and profit-sharing plans—plans that water down the investments of those who take the financial and other risks.

Many firms have savings plans, through payroll deduction, in which the company matches the employees' savings with company stock. This gives the employees, as stockholders, a legal voice in the company's operation. Some unions also invest in corporate stocks in the operation of their pension plans.

Unions creep in

A spirit of employee-employer camaraderie can lull management negotiators into agreeing to joint labor-management teams through which unions can infiltrate management. Witness the joint pension boards made infamous by the Teamsters Union.

"Management is stupid to compromise its authority and responsibility in such ways," one prominent businessman tells *NATION'S BUSINESS*. "This could open the door to the chaotic situation which exists on college and university

campuses where the administration has permitted its authority to be divided with the faculty and students, with the resulting unwieldiness and divided responsibilities."

There is still much management can do to retain and recover its rights.

Above all, insists Albert R. Collins, merchandising manager of Thriftmart, Inc., a retail grocery chain of Los Angeles, Calif., management and stockholders must take a firmer stand in defending the principle that they are the ones who are responsible for running their businesses.

R. F. Campbell, president of Lihap Industries, a manufacturing business of Santa Fe Spring, Calif., suggests that major industries undertake educational programs to show management the dangers of allowing its rights to fall under union control.

Certainly, industrial relations experts concur, management can consistently exercise its rights in daily practice and be much more careful in its bargaining with unions. It can insist, for example, on "management rights" clauses in union contracts and oppose the insertion of "past practices" clauses.

The management rights clause states management's right to make decisions and take appropriate action. It often will specify those parts of the operation that are proper responsibilities of management and not subject to union approval.

These often include such functions as making operating decisions, locating plants, hiring and firing, planning, combining jobs, assigning work, disciplining, deciding on subcontracting, promoting efficiency and safety, assigning work to the proper persons and carrying out sales and mergers.

Unfortunately for management, the NLRB is vague on whether even a detailed management rights clause is enough in its view to allow management to exercise those rights agreed to by the union.

Often the union will press for a "past practices" clause in the labor contract. This says that, unless otherwise stated, the shop will continue to be run the way it has always been run. Unionists like such a clause because they feel it gives them power to object and bargain over almost any change management wants to make.

The NLRB is not clear in defining how long a practice has to be continued and how deeply ingrained in the operation it must be before it can be considered a "past practice." This leaves considerable leeway to an arbitrator—leeway, in effect, to run your firm.

"Bad practice and antiquated work rules should never be frozen into law," declares Guy Farmer, former chairman of the National Labor Relations Board.

As many businessmen have sadly learned, once an item like a past practices clause gets into a labor contract it is almost impossible to dislodge.

What to do about it

The best way to reverse the union take-over of management is to scrub down our federal statutes, maintains C. R. Gaylord, chairman of Ingersoll Milling Machine Co., of Chicago.

Starting next month Congress will again receive appeals to reform the labor laws. Bills will be introduced to rectify excesses of the NLRB, nullify erroneous court decisions and rescind many special privileges and immunities that have enabled unions to force their will on management.

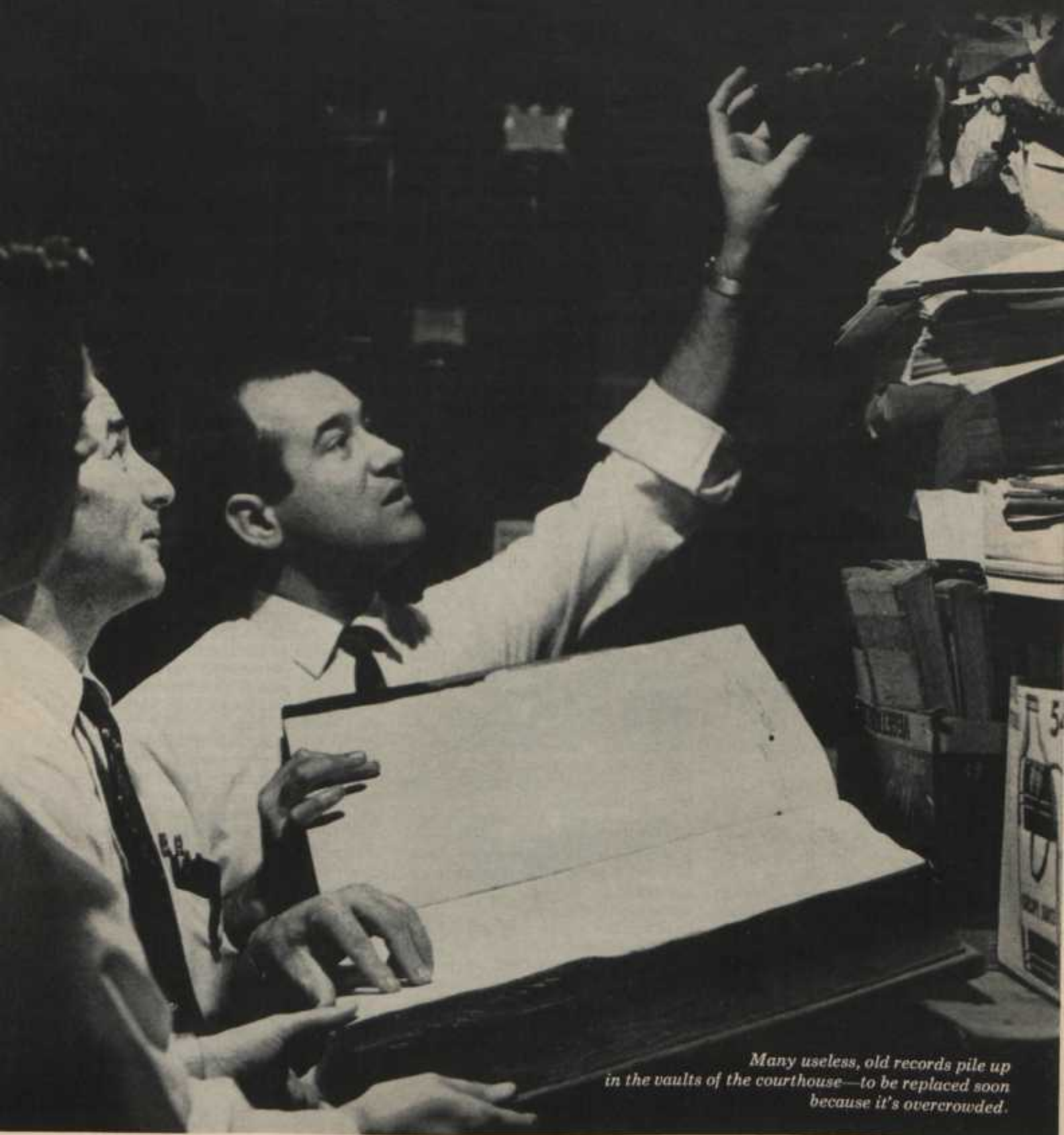
"The Congress must somehow be awakened to the existence here of this alien, anti-business philosophy, which would socialize the managerial decision-making process and apotheosize the right to bargain at the expense of the rights of management and ownership," warns Mr. O'Connell, who is vice president of employee relations for Olin Mathieson Chemical Corp.

"In the resulting imbalance—in the anomaly of conferring on unions the right and the power to participate in management, uncoupled with any responsibility for the success or even the survival of the enterprise—lie the seeds of economic chaos and the disintegration of the free enterprise system, as we know it." **END**

REPRINTS of "Unions Are Raiding Your Rights" may be obtained from *Nation's Business*, 1615 H St. N.W., Washington, D. C. 20006. Price: 1 to 49 copies, 30 cents each; 50 to 99, 25 cents each; 100 to 999, 15 cents each; 1,000 or more, 12 cents each. Please enclose remittance with order.

HOW MR. GEERS SHOOK UP GOVERNMENT
AND SAVED TAXPAYERS...

A TIDY SUM



*Many useless, old records pile up
in the vaults of the courthouse—to be replaced soon
because it's overcrowded.*

"I'll bet if you took a good hard look at almost any government office, you could find better—and less costly—ways of running it.

"I think people trained in industry—people who aren't afraid to challenge the status quo—could bring about all kinds of economies."

Speaking was Donald Geers, a young St. Louis County businessman. He was sounding off at a cocktail party to some of his friends who, like him, were disenchanted with their local government.

"If you know so much about it," one commented, "why don't you do something about it."

So he did.

Two years ago, he ran for Circuit Clerk of St. Louis County on the Republican ticket. He challenged an incumbent, and won—hands down. Then, in his first year in office:

- He earned the taxpayers \$44,000 by taking \$1 million of once idle funds—kept in custody of the clerk's office—and putting it in local banks to draw interest.
- He turned back to the county \$112,000 saved by more economical use of manpower, better work flow and closer inventory control.
- He raised pay of all his employees, but cut his budget \$30,000 by operating economies.
- He claims to have found how another \$250,000 could be saved by automation, better record-keeping and up-to-date management methods.

These proposals came out of an exhaustive survey made of the Circuit Clerk's office. It was done by an expert on paper-work management and microfilming, A. J. Petroski. Mr. Geers obtained his services on loan from General Service Administration's huge National Personnel Records Center in St. Louis. The loan was arranged through the local Federal Executive Board.

Thus, the survey didn't cost St. Louis County taxpayers anything.

The study unearthed past management practices that would bankrupt a business firm, and spelled out how to cure them.

"Many recommendations," Mr. Geers claims, "would also work elsewhere. There's a clerk's office, like mine, in every one of the 3,049 counties in the United States.

"If we can save \$250,000, just in mine, imagine what taxpayers could save if what we learned here were put to use everywhere."

Rewards of hard work

In a corporation, performance like this might rate a promotion and a fat stock option. Or, at least, thanks.

But not in government, or politics, Mr. Geers discovers.

For example, a new St. Louis County charter abolishes the elective Circuit Clerk, and replaces him with an appointed clerk who is under the direction of the Judicial Administrator.

However, under a grandfather clause in the new charter, Mr. Geers continues to serve till his term expires.

In addition, Mr. Geers is embroiled in a knock down, drag out

and that any proposed lease or purchase of equipment is justified.

"We have been unable to get from Mr. Geers a clear and adequate explanation of his proposals. Neither the judges nor the Judicial Administrator have ever been furnished a copy of Mr. Petroski's report and recommendations—although Mr. Geers did send us a long letter that summarizes them.

"I submitted it to a friend who, in my opinion, is an expert in the application of data processing to office systems. I was told the letter did not present an understandable explanation.

"The court refused to authorize the proposed expenditure for the lease or purchase of equipment."

But Mr. Geers thinks his one-man crusade was worthwhile. He believes other businessmen should make the same sacrifice—if they



St. Louis County's computer offers many ways to keep records more efficiently—and to cut costs.

quarrel with the court over his proposals to streamline the operations of the Circuit Clerk's office.

"The court favors modernization of the functions of the clerk's office," Judge Franklin Ferris says.

"But it has the duty to superintend the way in which the records are kept.

"It must also approve the budget of the Circuit Clerk.

"We must be sure that any methods of record-keeping proposed by the clerk comply with the statutes

really value good government—and can learn much from his experience.

"There are many little, so-called rinky-dink offices like Circuit Clerk that no one really knows about. And they've been filled, too often, by political hacks. And this is wrong. Any time you spend the kind of money my office does, \$700,000 a year, you're making policy. How well you operate your office affects how the entire county or community is run.

"When you turn back \$112,000,



When he took office, Circuit Clerk Donald Geers found employees making hand entries in big, bulky, leather-bound volumes like these that occupy lots of valuable storage space.

A TIDY SUM *continued*

as we did here, your office is important. That's money you can use for other things. Or to cut taxes.

"Most people decry the federal government, but overlook the bad problems close to home."

It was talk like this that got Donald Geers into public office.

Mr. Geers, six foot one, articulate and handsome, in a rugged sort of way, had never run for office before being elected circuit clerk. At the time, he was 36 years old and a veteran of the Korean War. He had worked for National Cash Register Co. and General Dynamics Corp., where he was a senior analyst. When he decided to run, he was employed by the Management Real Estate Co., in St. Louis County.

He was encouraged by the County Association of Republicans, businessmen active in promoting able candidates for public office. One of them was Joe C. Ashlock, then vice president, Standard Pipe Production division, General Steel Castings Corp.

He's now president, Surfcote, Inc. "It's a job to get good people to run," he explains.

"At the time, the G. O. P. wasn't expected to win. So there weren't a lot of candidates willing to make the race.

"Geers was a hard-working, dedicated young man. We were sure he'd make good in public office. We urged him to run. And we promised to help him."

What campaigning is like

Mr. Geers filed April 27—election day was Nov. 2—and soon found he had his hands full. He had to run countywide.

St. Louis County is a big, rich, heavily populated area. It has an assessed valuation of \$2 billion—and a population of nearly 900,000.

"It takes 45 minutes to travel from the north end," Mr. Geers says "to the south—driving 70 miles an hour on an expressway."

In the six months between filing and election, he worked 14 to 16 hours a day.

"I would put in eight hours a day in the real estate business, then be up to 1:00 or 2:00 a.m. going to meetings. Every kind of meeting—Republican township meetings, coffees, PTA meetings, church picnics, veterans' affairs.

"A friend of mine tells a story that describes what campaigning is like. He says every time he came in the house, his wife said 'Hi' as he passed through the kitchen. His kids shouted: 'Who's that?' And the dog growled."

Fund raising is one of the candidate's toughest problems.

"It costs a candidate at least \$5,000 to \$8,000 to run in St. Louis County—plus what the Central Committee spends to promote the entire ticket," Mr. Geers says.

"I spent \$2,000 of my own money, and collected the rest from friends in \$5, \$10 or \$100 contributions.

"You also have to beg or borrow talent and workers. Most of the people I know in politics depend on volunteer help.

"I organized just like I would to sell a product. I recruited a chairman in every township—a working chairman. One who would get out the mailings, call meetings, distribute bumper stickers, recruit poll

workers. My whole campaign was 'Better Business Practices in Government.' That was my platform.

"You have to sell yourself. We're getting a new, more educated electorate, and they'll switch parties. But you've got to sell them. To be elected, you have to have ideas and the courage of your convictions. And you have to work like hell."

But the contest was like the duel between David and Goliath.

Donald Geers' opponent, Democrat Louise Grant Smith, was very active in political, professional and social circles. She had held office eight years, and was running for her third term.

She was a lawyer, a member of the Order of the Coif, a past president of the St. Louis League of Women Voters, a former chairman of the Civic Commission of the Metropolitan Church Federation, a past president of the Missouri Federation of Women's Clubs and a former attorney for the Office of Price Administration.

Mr. Geers, much younger, had far less impressive credentials to offer the electorate.

Apart from his business experience, he could make only such modest claims as membership in the Wedgewood Improvement Association and the Veterans of Foreign Wars, and serving as a volunteer for the Boy Scouts of America and as a G. O. P. precinct worker.

But he hit hard the theme of efficiency and economy, through sound business practices. He told his audience, time after time:

"The cost of operating the Circuit Clerk's office is just too high."

He won by a sizable margin—125,000 votes to his opponent's 92,000 in a ground swell against those in power.

He was shocked, when he took office, to find that he had stepped into a paper-work jungle.

"Record-keeping was bad enough. But the lack of organization was worse. There were no clearly defined lines of authority. Almost all 80 employees worked without any direct supervision. Most were political appointees who were more responsive to their political sponsors than to office supervision.

A page out of Dickens

"But what really threw me was this scene: Three clerks, hard at work, but in a way that seemed right out of a Dickens' novel. It was strictly Nineteenth Century.

"One was writing out a lengthy jury summons—by hand. Another was tabulating the figures of the summons—with pencil and paper.

"And a third was entering all this in a gigantic record book—in long hand. The books are made of a specially milled paper and leather bound. They cost \$142 each.

"This practice had been followed since 1878, when the St. Louis County Circuit Court began.

"There were other examples, just as bad.

"In some cases, it was because of old rules or regulations. In others, the method was handed down from clerk to clerk and followed blindly, or by rote, simply out of inertia."

Mr. Geers moved quickly to whip the office into shape.

"I had 18 people leave after the election," he says. "We replaced them with eight. We tried to match people with work flow, and adopt up-to-date office methods."

One of the first steps was to hire a "chief legal deputy" to research the law and compile a handbook of all the duties of a Circuit Clerk's office, citing legal chapter and verse. Oddly enough, it had never been done before in Missouri, if anywhere, he says.

When the booklet was in print, Mr. Geers' office was flooded with requests for it. They came from public officials in 14 other states, as well as in Missouri.

But Mr. Geers' zeal got him in duteh.

First, the local Civil Service Commission blew the whistle on him. You can't create a new job, it complained, without first clearing it with us.

Then the press took up the cry. Soon, to his chagrin, he found himself described in the public prints as a spoils politician.

The massive "Records Evaluation and Paperwork Reconnaissance Survey" of the Circuit Clerk's office done by Mr. Petroski is a 135-page analysis of the office and its operations.

It pinpoints nearly two dozen ways to improve record-keeping and to streamline administration of the Circuit Clerk's office.

"For example," Mr. Geers says, "take the Permanent Record Books and the case files.

"We have 12,000 suits a year, civil and criminal, filed in our Circuit Courts. And we keep a record of every one of them. They go back to 1878—when the court started.

"We have records on more than 500,000 suits, and a file on each and every one.

"The record books are these big tomes. They take up lots of space, at \$4.25 a square foot. If we could microfilm them, I could put three volumes on a film cartridge four inches square and one inch thick. If the film were stored on the same shelves where the books are kept, we'd have a space saving of about 135 to one. Not bad, considering that we're building a new courthouse because of overcrowding.

Six thousand feet of records

"Or take the case files.

"We use 6,430 cubic feet of records. That's the equivalent of 643 five-drawer, legal-size file cabinets. Case files take up 65 per cent of this space.

"If we had a system for records disposal, we could get rid of 31 per cent of the files at once and 95 per cent over the long haul.

"I could go on, and on.

"For example, minute sheets. These are courtroom work sheets. A clerk takes the information off them and transcribes it in a permanent record book.

"Then the sheets should be thrown away. That's what you would do in a business office. They merely duplicate records we have elsewhere.

"But the Circuit Clerk's office has hoarded them like they were Dead Sea Scrolls. We have 297 books—that's \$8,760 for the binders alone—full of minute sheets. Plus lots more that are simply lying around in the vaults.

"In a modern office, only about two per cent of a firm's records are

per cent might be right for the considered permanent. Maybe eight courts.

"But the Circuit Clerk's office keeps everything—until doomsday."

Record-keeping, Mr. Geers points out, is only half the problem. The other is general administration. Or as the survey puts it, "use of common business practices" to "improve court services and reduce costs."

It gives a long list of recommendations. One is a proposal to keep the jurors' list on a computer and use it to select the jurors and then notify them to report for jury duty.

How to save \$150,000

Mr. Geers claims this alone would save St. Louis County taxpayers an estimated \$150,000 a year.

"We have more than 400,000 registered voters in St. Louis County," Mr. Geers points out.

"That's who we draw our jurors from. We have to update the list every two years. On a computer, that's simple. Businesses do it all the time.

"But we keep each name on a separate card. For us, updating is an expensive, time-consuming chore.

"Our entire system for obtaining and paying jurors is archaic. The work is split up among at least eight offices. It costs us \$30 to \$35 to get one in the courtroom. That's exclusive of what he's paid for jury duty.

"We need about 5,250 jurors a year. We send out a sheriff's deputy personally to serve each one a summons when he's due to report to the circuit or magistrate court.

"We could save \$90,000 a year if we notified them by registered mail. This estimated saving has been challenged, but no one has been able to refute it. Notifying jurors by mail would, however, require a change in state law.

"Furthermore, they're all told to show up on a Monday, although many aren't needed till later in the week—or even needed at all. With a computer, we could figure out almost exactly how many we'd need each day and call only that many.

"When I took office \$185,000 was budgeted to pay jurors. Earlier release of jurors has reduced it to \$130,000. We could save a third to a half of that, if we called them in on the day they're needed.

"Isn't that fantastic? Wasting \$33,000 to \$68,000 a year because we blindly follow a practice that goes back to the days of the horse



PETE PROGRESS

Speaking for the local chamber of commerce in your community

A TIDY SUM *continued*

and buggy—when a juror might need a couple of days to get from his home to the courthouse!”

Other recommended reforms bring estimated savings up to \$250,000. Some would require changes in state laws or regulations. In practice, all probably need the blessing of the local circuit judges.

Mr. Geers' office budget is subject to the approval of the Circuit Court, which also superintends the manner in which its court records are kept.

Ex-businessman Geers finds the bench harder to deal with than a board of directors.

“This office is four years behind in some of its indexing,” Mr. Geers says. “I want to buy two nine-channel, magnetic input machines to catch up. The machines produce computer input. We could save the county at least \$24,000 in salaries, doing it this way, rather than by manual posting.

“We could also use the machines to type up abstract judgment claims, and then get computer print-outs that title companies would be glad to pay for. It would help us—and them.

“I also did my darndest to rent a microfilm camera, for \$42 a month, to put bulky alphabetical index cards on film.

“But the court has blocked every attempt I've made to get the equipment.” The court claims that it is unable to get a clear and adequate explanation of his proposals.

Still, Mr. Geers battles to bring modern methods into the Circuit Clerk's office.

But his efforts have not gone unnoticed by other experts.

The National Association of County Recorders and County Clerks, based in Washington, honored him for outstanding service.

Professor A. Benjamin Handler, director of the University of Michigan's Judicial Facilities Study, a project backed by the Ford Foundation, praises the survey of the Circuit Clerk's office.

“It's probably unique in scope and thoroughness,” he says, “and exactly the kind of thing that should be done on a wide scale.”

Obviously, the public stands to benefit if more businessmen run for public office.

“Don't forget,” Mr. Geers says, “the kind of inefficiency and waste I found goes on in other local government offices. And the taxpayer foots the bill.”

END



Nice, neat rest rooms are appreciated. So is the quality of Fort Howard rest room tissue. Quality you can depend on roll after roll. The only thing nicer than the colors it comes in is its softness—the softness of the finest facial tissue at a reasonable price. You get service you can depend on, too, from the Fort Howard Paper Man. He's "Mr. Dependable," the paper wholesaler who makes sure you get service as dependable as the quality of our paper towels, napkins, toilet tissue and printed paper place settings.

Fort Howard Paper Company

Green Bay, Wisconsin

AMERICA'S MOST USED PAPER PRODUCTS AWAY FROM HOME

"MR. DEPENDABLE"



FORT HOWARD
PAPER MAN



We think you should give all your salesmen a raise.

Relax. Not that kind of raise. Something your men can take real pride in. A 1969 Pontiac Catalina.

That's a step up in anybody's book. In room. And ride. And class.

The way we figure, add a little pizzaz to your men's lives and they'll be a lot happier (and hungrier) on the job. Catalina has that pizzaz.

Expanded Morrokide and fabric interiors. A heavily padded instrument panel with fingertip controls. Distinctive wood-grained vinyl dash inserts. A standard 290-hp, 400-cubic-inch V-8. Wider Wide-Track. Longer 122-inch wheelbase. And a new ding- and dent-resistant Endura insert on the wraparound front bumper.

Of course, the price of pizzaz is a few (very few) bucks more than the cars your men are probably driving. We think keeping your sales force happy is worth the price. But that's your business.

After all, it's your business.

**1969—Your year to break away
with Pontiac.**

Pontiac Motor Division



BEING PENNY WISE AND POUND SHREWD

A conversation with Lord Thomson of Fleet, peerless tycoon of the communications world who has vast holdings comprising some 470 companies in U. S. and elsewhere

When Roy Thomson was born, June 5, 1894, in Toronto, his family hardly had a dime.

Forty years later Roy Thomson still had practically nothing.

Today, at 74, he's worth an estimated \$300 million.

He has become Lord Thomson of Fleet, a Peer of the British Realm and a world press lord without a peer.

The once poor boy who has been accused of having a cash register for a brain, a balance sheet for a bible and a soul made up of layers of £10 notes, is now owner of more newspapers in the United States than any other man.

He owns 56 and every day he's on the lookout for others. Altogether he owns 180 newspapers among his 470 companies in North America, the British Isles, Africa, the West Indies and on the European continent.

Lord Thomson confesses that he adores money. He admits he went after his title with all the influence he could get. His greatest thrill is buying a new business and being called a genius for having done so. He had a chance once to edit highly critical material out of a biography and he chose to leave it in, because "otherwise, the biography wouldn't have been me."

Lord Thomson dodges no questions here in this candid interview with NATION'S BUSINESS conducted in his London office near legendary Fleet Street.

Lord Thomson, you were well into middle age when you caught fire financially. How did this come about?

Well, the first real decent deal that made me money was when I bought four small city daily newspapers in Ontario in 1944, when I was 50 years old.

And what made these papers profitable?

I like to think that we have had good management. Speaking very frankly, good management doesn't always exist in the newspaper business. Newspapers are generally speaking a business of monopoly, and monopoly doesn't create good management as a rule. And I think that a lot of owners of newspapers get bedazzled with the importance which they think they have in the national scene and they devote more thought to editorials or some other facet of the business, whereas I am cold-bloodedly a businessman.

Do you go by the principle of paying good salaries and having good equipment?

Not always. Well, we certainly always have good equipment. There's always been some complaint, that stems from the old days,

BEING PENNY WISE AND POUND SHREWD *continued*

about the salaries that we used to pay. But it must be remembered in those days we had no money and those were the days of the war. And nobody else had very much money.

But, today of course things are different. Papers of worldwide reputation like my *Times* of London and *The Sunday Times* can afford to pay anything at all to get the best, and they do.

Approximately what do you own now?

We have 180 newspapers all over the world and something like 470 different businesses.

Of course, we're in the television business extensively; we're in radio broadcasting; we have book companies, magazine companies; we have a very extensive package-tour travel business; we own an airline, and we have in Canada a road haulage business, a sizable one, an insurance company, and other miscellaneous businesses; but mostly within the communications business.

You had a rather hard time during your early business days. Could you tell a bit about them?

They were difficult days, certainly. People were poor and my education stopped at 14 when I had to go to work. The last year of my education I spent at a business college learning shorthand, typing and a smattering of bookkeeping. I paid my way through by sweeping out the place at night and dusting the desks in the morning.

I got used to work and I liked it, and I was determined that I was going to be successful.

I knew that if I didn't make money for myself I couldn't have a family and I couldn't do the things in life that I felt I had to do.

Didn't you once work all day to sell a dollar ad?

Well, I don't know whether that's an exaggeration but I worked awful hard—a dollar was a pretty good thing, I can tell you. I still work pretty hard to make a few dollars. I like to make them.

Did it ever occur to you that you might not be a success?

I never had the slightest doubt about it. I believed in the old Salvation Army slogan, you know, "You can be down but you're never out." I've had lots of failures and I think that from my failures I

learned more than from my successes.

You once said that you intended to be a millionaire by the time you were 30?

That's right. And I was a bit delayed. I was 55 when I made it. But, so what's 25 years?

What was the best piece of luck you ever had?

You know I don't believe that there's such a thing as luck. I think that luck is an opportunity seized. I think if we all could look back on our life we can recognize that there have been many opportunities that, if we'd taken them, we'd have been very successful, made a lot of money. Now why didn't we do it? The general reason is we didn't even see it at the time. Maybe we were scared to take the risk and the consequences of failure.

Sometimes you haven't got the money to act, or you haven't got the credit.

Then again, I think if you're dedicated to success you're keen for opportunities and you'll see them better than the ordinary person will see them.

I never lacked confidence in my own ability, fortunately.

Mind you I was at the right place at the right time on a number of occasions, but on the other hand I think it could be said that many people wouldn't have taken advantage of those opportunities. I think that if I deserve any credit it's that I usually see an opportunity because I'm awful keen to find one.

I've been successful over the years in raising money.

To build a business and make money you have to borrow money—I smile when I read about people who say, "Oh, I wouldn't owe any money." Well, I think they're crazy. I borrow all the money I can get my hands on—because if I can't make more money out of it than the people who are lending it, then I shouldn't borrow it!

You once said that owning a radio station was like printing money. What do you think now?

I said this about Scottish television.

In two years I was making \$5 million out of that station. Well, I said that was as good as a government license to print money. It might have been a bit injudicious

to say so. But it was certainly the truth.

Do you still ride tourist class on trans-Atlantic airliners?

Yes.

Do you still weigh your luggage at home so you can avoid paying for excess baggage?

I do. It would greatly offend my sense of what's proper to pay overweight.

And, you'll take out a pair of shoes if it's...

If I could spare them I would, yes.

How much do you usually pay for a meal when you're away from home?

I very rarely eat in hotel dining rooms; I go down and eat in the cafeteria.

I don't want to sit in a big dining room and have three or four people waiting on me. That doesn't please me.

If I can save some money, I'll save it, certainly.

Do you count anyone a better conservative or a bigger champion of private enterprise than yourself?

No, because I've done a lot of private enterprise business and I think it's the way to run a business. Take nationalized industries. None of them make money, unless they have a monopoly where they can charge whatever they like. If I owned all the electricity in this country and I could charge what I liked, I'd make a hell of a lot of money.

But at the same time, you can't measure those businesses against private enterprise, because there's no competition.

Of course, I realize that you shouldn't have, for instance, two telephone systems in a city—that would be ridiculous, so that you have to buy two telephones and have two systems where they couldn't connect with each other. There are some situations where there's every justification for the government having control or alternatively limiting the profit.

But generally speaking I believe that we have progressed as we have in the Americas and in Britain because of private enterprise. We've got the highest standard of living in the world and that's been brought



Lord Thomson lunches with Nikita Khrushchev after jokingly offering to buy Pravda. It took all the skills of a young Russian interpreter to keep up with the brilliant talkers.

Two Canadians who went to Great Britain and became both lords of the press and Lords of the realm: Lord Thomson and the late Lord Beaverbrook. They were friends.



about by the development of private enterprise.

You don't mind criticism, do you?

Look, I don't like criticism any more than anybody else does, and I would much sooner people say nice things about me than not. But I think I have enough sense to know I'm not perfect. I'm surprised that I haven't been criticized more. If you want to be objective, you've got to accept criticism. And I mean you should take some notice of it, too.

Editorially speaking, you leave your newspapers, television and radio stations strictly alone. Why shouldn't you have a voice in them?

Because I have newspapers, for instance, in the Southern United States where they practice segregation. I have them in Arkansas, Louisiana, Georgia and Mississippi, as well as in a lot of other states.

I think a newspaper must represent the people of the community. Even if the people are wrong, I think they're entitled to their voice. And if I lived in those states, maybe I'd think the same. I don't know; I hope I wouldn't, but maybe I would.

There's no possible way that I can sit here and dictate editorial opinion to 180 newspapers all over the world. I believe this should be left to the local editor who lives in the community, talks to people, knows the wants of the community, knows the feeling of the people and, in my opinion, is closer to the people than the proprietor.

Meanwhile, I give a lot of my time to acquiring new businesses, so I can't be everything.

It might be that the London "Sunday Times" is the best newspaper in the English language. Who gets the credit for that?

It's not only the editor, it's the

tremendously able staff we've built up. These fellows have been given their heads. We don't spare expenses to get the news and learn what's going on and get the best articles and the best critics. Perhaps I get a little bit of the credit for making the money available and seeing they have the freedom to do these sorts of things.

What do you think of U. S. and Canadian newspapers?

I like Canadian and American newspapers. The only thing I think is wrong with them is there's too much advertising. The other day I was talking to Mr. Sulzberger of *The New York Times*, and I said to him that the only thing I've got against your paper is too much advertising. But, I said, I wish to God I had that problem.

Mind you, I will say this, I read many things in American or Canadian papers that I've never seen in papers over here. American papers are more complete; there's more in them. You see, we boil things down. It serves a useful purpose and makes a man a better writer.

I have a great respect for the way Americans run their papers; I have no advice to offer.

Why are you going in so heavily now for U. S. properties?

That's where the money is! I have a great respect for the good old USA, and I like the American people tremendously. Here I've been in effect a foreigner going in there and I've been welcomed with open arms. Americans are the most open-hearted people in the world. That wouldn't happen, I think, in any other country in the world; but it does happen in the United States.

Americans are big enough to accept that sort of thing. If you can do things better than they do, they'll say okay, go ahead and do it.

It is really the ultimate, I think, in business opportunity, the United States.

How much would you give for "The New York Times"?

Oh, gee! I'd give a hell of a lot. I think I'd mortgage my soul. I'd sure like to have it. *The New York Times* is very fine, a wonderful paper.

I will say this though about our *Times* here. I think that of all the newspapers in the world that repre-

sents their country, *The Times* of London is the best. Because in many parts of the world *The Times* is Britain; it's the flag. Now *The New York Times* doesn't represent the United States like *The Times* of London represents England.

Didn't you try to buy "Pravda" from Nikita Khrushchev in 1962?

Well, when I landed in Moscow, they had a whole delegation waiting to meet me at the airport, and they had television cameras and the reporters. They said, "Why are you over here? What is it you are after?" And I said, "I'm over here to try to buy *Pravda* and *Izvestia*." Well, they didn't think it was very funny.

What are two or three of the main things that you look for when you're looking over a property?

The first thing you do, of course, is look at the profit statement, see the operation, study what they've been able to do, look at management. And then, of course, you look at the advertising rates they charge. Are they getting an economic rate? Why not? They haven't got the sales effort? They're not pushing the sales? What about circulation?

And then, of course, you have to look at the plant; but the plant is secondary, really.

Of course, the biggest thing is the future. If the market is growing, that's a very big plus.

What are the main differences between doing business in the UK and in the U. S. and Canada?

I don't think there's a lot of difference, to tell you the truth. Between Canada and the United States, there are few differences. We wouldn't know which flag was flying.

However, there's more vitality in an American city. We can do more with a paper in an American city than we can in a Canadian city.

Now, of course, in England there's some difference in the attitude of people. For instance, in this country, advertising is not really completely acceptable to a lot of people.

Look at the big department stores here. Most of them don't advertise at all. Now you know you couldn't exist in America without advertising.

**For Top Quality
GLASS BEADS
of any type**

**WE KNOW OF ONLY
ONE PLACE TO GO...**

**MICROBEADS DIVISION
CATAPHOTE CORP.**

Post Office Box 2369
Jackson, Miss. 39205 - U.S.A.

Write (Jackson, Miss. 601/939-4631)
or Call (Toronto, Ont. 416/294-2003)
Collect (Toronto, Ont. Canada 416/293-1881)



Can you see more Canadian and U. S. business practices being followed here in the UK now?

Without a doubt. Nearly all the successful things I've done here have been copied from America or Canada, from the experiences I've had over there and things I've found out. I believe anything that goes over there almost without exception will go over here.

It may take a lot of putting over until people get used to it. This is a country of custom, habit and tradition and the result is that people don't want to change. Here an awful lot of people would be willing to sit back and stay put, and that's what we're trying to stir them out of.

You think that American business practices are taking hold here in other businesses besides yours?

Yes. But it is changing slowly, too slowly.

I remember when I first came over here in 1954, I walked out of the editorial offices of *The Scotsman* and up the street was a fruit shop with a nice little girl behind the counter. And there's a big box of grapes on the counter. And I like grapes. I said, "Gee, these look good, I'll take two pounds." She says, "They're three shillings a pound." She's trying to protect me against my own rashness. This is salesmanship?

When a U. S. businessman comes to Britain to buy into a company or to open subsidiaries, what would you advise him in regard to selecting British executives?

That's, of course, one of the very great problems. You see, when you go into a new company, you're inclined to rely on the people you've known in the old company, and you look for those kinds of people, and sometimes they're not the right kind of people for the new company. It's a different company.

I haven't followed any particular practice. Naturally if you see a fellow that looks outstandingly good, you try to get him.

Do you think the U. S. and Canadian governments should reward the great and the elite with titles?

I think that it would be an admirable thing to do. In Canada and the United States everybody chases after degrees from a university,

don't they? What the hell's the difference?

They put the letters after their name instead of their titles in front, you see. I don't think it makes any difference.

No one can make a very good case for hereditary titles in a democracy. But it's damned nice to have one. At the same time you can't raise much of an argument against knighthoods and that sort of thing that die out with you.

I think it's a mark of distinction for something you've accomplished.

You're a great monarchist, aren't you?

Oh, yes. I think it's a great force for goodness. It gives people something to look up to, and it's almost like the flag. It's surprising the respect that people have for it, and I think in this day and age it's a good thing for people to have respect for something.

I don't think that in America the President gets that kind of respect. He gets a lot of disrespect.

Is your favorite reading still a balance sheet?

Yes, I like to read balance sheets even when it's not my money at all, because it's intriguing to me. But oh, I'll tell you, my favorite reading I suppose is whodunits. I read dozens of them.

Do you think of yourself as a Canadian or a Briton or a man of the Western world?

I feel more of a man of the Western world really. I have a great affinity for the United States.

Now that you've got all this money are you happy?

Very happy. I should be very unhappy if I didn't have it.

But I don't use the money. I don't consider I've got money; I consider I've got businesses.

What do you like to hear about yourself?

I think if anything the best compliment that could be paid me would be on my business ability. I'd sooner be complimented on that.

If somebody says Thomson is a hell of a businessman, that's what you like?

That's right, I'd like that more than anything else.

How do you spend your spare time these days?

Well, I don't have a lot. I live in the country and I go home on the Underground—out to Uxbridge and then my man picks me up there. And I often don't go home till eight o'clock and then I'm up at seven the next morning. And then I read.

I read the papers on the Underground going out, the evening papers, and then I get the Toronto papers, and I read them one day a week when they come in, a week's supply. And then I read whodunits. I don't have very much time.

You don't see all of your papers?

There are some of my papers I've never seen.

Getting back to this fun business—were you happier when you were owing a lot of banks in Canada?

I owe the banks more today than I ever owed them before. But I don't carry my troubles home with me at night. God, if I wanted to worry, I've got lots to worry about.

But I find worry doesn't do me any good, and basically there's nothing really I need to worry about. So what, if I lose a deal, if I lose a few million dollars, I don't even know it.

So what's the difference?

Do you have any ideas at all about retirement?

None at all. I think that it's inevitably going to come. I've always talked about having another five years, but I don't know about that. I am trying to cut down a little on my work and social activities now. I don't drink.

But even just appearing and standing round talking is hard. But mind you, it's good work to do, it's valuable. You meet people and you talk with them and something happens, they tell you something; it's very interesting. Everything about life is interesting. It's all ideas and deals, you see. **END**

REPRINTS of "Lessons of Leadership: Part XLIII—Being Penny Wise and Pound Shrewd" may be obtained from *Nation's Business*, 1615 H St. N.W., Washington, D. C. 20006. Price: 1 to 49 copies, 30 cents each; 50 to 99, 25 cents each; 100 to 999, 15 cents each; 1,000 or more, 12 cents each. Please enclose remittance with order.

HOW DO YOU MEASURE UP AS AN EXECUTIVE?



When was the last time you took stock of yourself as an executive?

Here's a chance to do so. Read the following questions and answer each as thoughtfully as you can.

There is no scoring system, no "average." But there is a whopping personal reward for taking the test—an insight into your strengths and weaknesses and a spur to improved performance in the future.

No one but you need ever see your answers, so be as candid as possible.

1. Do you know how much one hour of your time is worth?
2. Is your day's schedule firmly in your mind when you arrive at your office?
3. Honestly, have you delegated all the work you possibly can to subordinates?
4. Are you time-conscious? Do you weigh the time requirements of various tasks before assigning them to others or undertaking them yourself?
5. Do you tend to devote too much time to the things you like to do and too little to the less pleasant, but equally important, jobs?

6. Do you carry a notebook with you for jotting down ideas and important facts, rather than rely on your memory?
7. Does paper work take up an inordinate amount of your working day?
8. Do you use "stock paragraphs" to cover stock situations in your letters, thus saving time?
9. Do you make sure your instructions are not ambiguous in any way before issuing them?
10. Do you encourage subordinates to drop by when there is something bothering them?
11. Is your secretary briefed on whom you will see, to whom you will speak on the telephone and those people who should be handled by her?
12. Are your people conversant with company policy on pay, conditions of employment, vacations, sick pay, other fringe benefits? Do they know their company's background, how it is making out, where it is going, what new products it is developing and what improvements in its operation are in the offing?
13. Do you use periodic group meetings or individual conferences with employees to keep the channels of communication open to air complaints, make announcements, issue instructions, pass along information?
14. Are exceptional contributions by employees recognized and rewarded?
15. Do your people know where they fall short? What they can do to improve? What they are doing exceptionally well?
16. Do your people know what authority they have? What their business relationships are with other people in the company?
17. Do you make a conscientious effort to set a good example for your subordinates by meeting deadlines, displaying enthusiasm for the job at hand, respect for others' opinions?
18. Do you secure a personal satisfaction from the development of your subordinates? Do you believe that growth and success of the people under you increases your own stature?
19. Name three key people under you. Can you describe their "hot button," that is, the best way to motivate each one—pride, sense of competition, ambition, etc?
20. Can you name the man best suited to step into your shoes in the event of your own promotion or retirement?
21. What have you been doing to make him even more capable?
22. What has been the single biggest development in your field within the last five years?
23. What is the single biggest development in your field likely to be within the next five years?

TED POLLOCK, author of this article, has written scores of articles and books on self-development. His most recent is "The Professional Salesman's Guide" (Prentice-Hall, Inc.). A management and sales consultant, Dr. Pollock has lectured in both fields.



DRAWINGS: CHARLES A. BURR

24. Are you a good listener? Do people tend to open up to you?
25. Have you ever questioned a company policy or regulation—or do you accept on faith that “they must know what they’re doing”?
26. Are you a goodwill ambassador for your company? Do you belong to civic organizations, make speeches, serve on committees?
27. Do you have at least a fair working knowledge of what each of the other departments in your firm does?
28. Are you decisive? Or do you constantly change your mind, worry about decisions already made, find yourself countermanding instructions already issued?
29. Do you approach decision-making without preconceived notions, prejudices, assumptions?

30. Do you attempt to draw on the experience and wisdom of others before reaching a decision?
 31. Do you ever list alternatives open to you, jotting down the pros and cons of a specific course of action?
 32. Do you willingly accept the responsibility for your decisions?
 33. When a setback occurs, do you try to analyze its causes and seek ways to prevent it from recurring?
 34. If the setback is your own fault, do you face the fact and see what you can learn from it, or do you seek refuge in rationalizations or other face-saving devices?
 35. Are you irritated when you run into opposition from a higher executive? Or do you honestly try to see merit in his argument?
 36. When criticizing others, do you try to keep your remarks positive?
 37. Have you ever used ridicule or sarcasm as methods of criticism?
 38. Do you give your criticism in private? Praise in public?
 39. Can you take it as well as dish it out? When on the receiving end of criticism, do you view the experience as an opportunity to improve and learn?
 40. Can subordinates offer criticisms of you or your aim or procedures?
 41. When was the last time you read an article or book on the techniques of management?
 42. What would you say is your weakest point as an executive?
 43. What have you done within the past month or so to correct it?
 44. Do you consciously and deliberately try to learn whatever you can from the people with whom you come into contact, whether superiors, subordinates or peers?
 45. If you had to sum up the image of yourself carried by your people, how would you describe it?
 46. Do you have a hobby or outside interest that permits you to “get away from it all” occasionally and refresh your thinking as well as yourself?
 47. Do you get some regular form of exercise?
 48. When was the last time you admitted that you were wrong and changed your mind about an idea, method or person?
 49. Where in your organization would you like to be a year from now? Five years? Ten years? Specifically, what are you doing now to make those goals come true?
 50. If you had to describe your unique value to your business in one short paragraph, what would you say?
- Why not save this questionnaire and take it again in six months or a year to chart your progress? **END**

REPRINTS of “How Do You Measure up as an Executive?” may be obtained from NATION'S BUSINESS, 1615 H St. N.W., Washington, D. C., 20006. Price: 1 to 49 copies, 30 cents each; 50 to 99, 25 cents each; 100 to 999, 15 cents each; 1,000 or more, 12 cents each. Please enclose remittance with order.

NEW PLAN TO GIVE TAXPAYERS THEIR MONEY'S WORTH

BY WILLIAM V. ROTH JR.

Congressman at large, Delaware



More than 1,000 federal programs, dispensing some \$20 billion a year, were unearthed when Rep. William Roth Jr. (R.-Del.), and his staff took a hard look at the welter of federal plans.

The federal government will spend more money this year than it spent during the first 153 years of its existence. And in recent years there has been a strong trend toward even greater spending on the vast proliferation of federal programs.

Yet little effort has been made to evaluate the over-all effectiveness of such spending or of federal programs and structure, as was done by Presidents Truman and Eisenhower with the Hoover Commissions of the late Forties and early Fifties.

During the 13 years since the second Hoover Commission made its final report, the United States has undergone some of the most rapid and profound changes in our history. In that period, the number of federal programs has risen dramatically, civilian personnel rolls have grown by a half million, the federal budget has doubled and domestic spending has increased by 170 per cent.

Because of the magnitude of spending and complexity of operation of the federal government, my staff and I spent eight months, beginning in November, 1967, studying the current form of the federal establishment.

Specifically, we sought to find out how many federal assistance programs there are, to obtain meaningful information about what they do and to learn how and where they are administered. We did this with an eye toward determining whether the assistance and organization are adequate to the task of solving the problems that now confront us, and to the tasks of the coming decades.

The Office of Economic Opportunity spent \$100,000 on a study trying to catalog all the federal programs, but couldn't find as many as we turned up.

The findings of our study were reported to the U. S. House of Representatives on June 25, 1968. Fortunately the study has stirred substantial new interest in the need to make an objective analysis of the federal government and provide recommendations on how it can operate more effectively, efficiently and creatively.

The findings suggest to many political leaders that we may be trying to force the future into the molds of the past, with the unfortunate effect of fostering waste and inefficiency both in terms of money, time and talent spent and results

achieved. In capsular form, here are some of the study results. We found:

No one, anywhere, knew exactly how many federal programs there were.

Nowhere was there a central repository where meaningful information on all of the programs could be found.

At the very least, the federal government is spending \$20 billion a year on more than 1,000 programs, yet potential beneficiaries have virtually no hope, without the aid of expensive consultants, of finding out about programs for which they qualify.

Congress does not have enough information on programs to allow it to determine desirability or need for new programs that may be proposed.

The executive branch does not have enough information on all programs to allow it to compare one with another in order to find overlap, duplication and lack of coordination, or to streamline its operations.

Overlap and duplication

Our study indicates that in the area of education there are more than 470 programs operated by 25 different departments and agencies. For college undergraduate and graduate students alone, there are at least 211 operating programs run by 15 departments and agencies.

In the area of natural resources, some 117 programs are spread among 12 departments and agencies, and there are 112 programs providing assistance of direct relevance to the poor.

Some 43 programs relate to child health and welfare, and 74 programs relate to economic and business development.

Recent findings by the Senate Government Operations Committee cast further light on the amount of potential overlap. For example:

At last count there were 150 separate federal departments, agencies, bureaus and boards in Washington, plus more than 400 regional and field offices.

Eight Cabinet departments and 12 agencies are involved in health.

Eighteen separate agencies are conducting programs to improve the natural environment.

Eight departments and four agencies are operating major credit programs and thereby affecting monetary policy.

Ten agencies in three depart-

ments are managing manpower programs.

As a result of the findings of my study, I introduced legislation to require the President to present annually to the Congress a compendium of federal assistance programs, and create a modern Hoover-type commission. Both bills have been cosponsored by more than one fourth of the membership of the House, have received unanimous endorsement by all governors attending the last National Governors' Conference and by county government officials at the national convention of the National Association of Counties.

Time to take stock

The severity of the problems of the late 1960's and of those problems gathering in storms on the horizons of the future, combined with the basic unrest and deep-rooted concern that prevails among many people, the critical financial position in which we find ourselves, the great and often Topsy-like growth of the federal government in recent years—all make it imperative that we begin now to take stock of what we have and strengthen and redirect many of the activities of our federal establishment.

We must innovate, we must simplify and we must strain to the limits the imagination of our best thinkers and doers. We must find means to utilize effectively the resourcefulness of the private sector.

We are fortunate that there is a growing general agreement among many political leaders of every persuasion on the need to recast the forms and types of federal government programs and activities. And there is growing agreement that the first step in doing this is to determine fully what we have in order to evaluate and improve, as well as inform ourselves, of how best we can convert our federal activities and energies into the creative forms needed. It is my belief that the scope of a modern Hoover-type commission should include a penetrating and complete analysis of the usefulness, scope, substance and management of all federal programs and activities.

Such a commission should be charged with studying the impact and effect of federal programs and activities upon the interrelationships of all other levels of government. It should make recommendations on how the resources of our national

and local levels of government can be better marshaled.

For example, the commission should study such concepts as broad block grants and revenue-sharing with state, county and city governments, and the use of public and semiprivate corporations, on national and regional bases, as tools for stimulating private resources and private enterprise in the solutions of today's and tomorrow's problems. I and many other members of Congress are concerned with the long-range need for the Congress and the executive branch to have complete, accurate and timely information on government and public needs.

It is important to the Congress to enable it to evaluate the relative effectiveness of federal programs, to develop new programs and consolidate or eliminate the old and to determine the cost-effectiveness of government operations.

Any new Hoover-type commission should be responsible for exploring the use of modern, computerized management systems that would supply current, standardized data that cuts across the lines of federal agencies and programs.

Need permanent evaluation office

One of the more imaginative ideas is the proposal of Rep. Garry Brown of Michigan for a Program Evaluation Office as an integral part of the legislative branch. Any Hoover-type commission established to study government efficiency should be charged with considering the creation of such a permanent "Little Hoover Commission" to assist Congress in evaluating the relative priority and effectiveness of government programs and activities.

Clearly, in the past dozen years, the federal government has assumed new roles and involved itself more and more in activities that traditionally have been the domain of other levels of government, and which have direct effect on virtually every person in America.

It is becoming more and more evident that we do not have at the present time in our nation the financial resources to do everything that might be desirable.

We must begin to marshal our resources in areas of most urgency. We must begin to realign our efforts in some areas and begin to redirect our attack in others. But we must do it on the basis of factual evaluation, not emotional reaction. **END**



business: a look ahead

MANUFACTURING

Pressure grows for government action to stimulate industrial development of rural areas.

That's not new in itself. Agriculture Department, some farm organizations and lawmakers of both parties have long urged some measures toward rural renewal as supplement to urban renewal.

New impetus now comes from those concerned over increasing congestion in urban areas, burdens on public facilities and services, migration of rural residents unable to cope with

urban life and lacking job skills. Advisory Commission on Intergovernmental Relations recently called for broad range of government policies, including tax credits and below-market loans, designed to promote business and industry in rural areas.

Commission, not too well known to public, is composed of representatives of federal, state and local governments and has growing list of nuts-and-bolts recommendations that have been enacted into law.

TRANSPORTATION

Nation's airlines hustle to cope with avalanche of passenger baggage expected by early 1970's.

Airlines estimate this year's load at 225 million pieces of baggage, and Civil Aeronautics Board calls loss or damage to luggage "by far the most serious complaint" against airline service.

Baggage figure should top 550 million pieces in '70's when supersonic and jumbo jets come into service.

Major carriers are developing fully automated baggage-handling systems to handle expected crush, avoid costly foul-ups. Success would mean improved service to customers—mainly business travelers—and reduced claims. One carrier paid out \$2.6 million in 1967 for baggage loss or damage; another shelled out \$1 million.



NATURAL RESOURCES

Ballooning sales, customer additions and construction outlays through 1985 are forecast by nation's gas industry.

American Gas Association predicts addition of total 18.8 million new customers by that year, compared to addition of 16 million customers between 1949 and 1967.

Growth rate of 5.5 per cent is forecast for

over-all sales, with commercial use accounting for a rate of 8.5 per cent. Industry expects to spend \$10.3 billion for new plant in next four years, an increase of 24 per cent over prior four-year period. This year's estimate alone is \$3 billion. By 1985, industry investment in plant and equipment will stand at \$75 billion, an increase of \$42 billion over 1967.

MARKETING

Growth of single-service advertising organizations puts heat on big agencies to excel in all departments.

So says one big-agency man in New York who cites growth of firms buying TV spots for clients at less than card rate, bypassing traditional agencies.

This trend hit ad industry just as several major clients were beginning to take a hard second look at agencies relying largely on creativ-

ity rather than full-line function.

This source speculates that next logical step would be for many clients to view advertising as in-house management function of prime contractor pulling together service of independent copywriting, research and media placement.

He says big agency response must be to excel in all departments in addition to offering advantage of diversified resources coordinated in one package.

CREDIT AND FINANCE

Fierce competition and challenges to bank regulation will mark the financial scene in the decade of the 1970's.

This is implicit in the views of George W. Mitchell, member of the Federal Reserve system's board of governors, who feels the banking system must change if it's not to become obsolete by the 1980's.

He notes that banks have increased their share of funds supplied to credit markets by nearly 50 per cent over decade of the 1950's, but more progressive bankers are becoming even more growth-minded.

Mr. Mitchell favors less regulation and more competition among banking institutions although this will involve intense controversy.

AGRICULTURE

New discovery in plant biology offers savings to retailers that won't be small potatoes.

Agriculture Department's research scientists wrestled with problem of potato spoilage, mainly occurring at retail outlet.

Problem is called greening, whereby exposure to artificial light and indirect sunlight

causes chlorophyll content of potatoes to increase, producing green color and bitter taste.

Researchers at Beltsville, Md., and Presque Isle, Maine, hit on way to change genetic characteristics of commercially popular potato strains, expect first widespread adoption by farmers in about five years.

CONSTRUCTION

Development of new communities on floating platforms on major waterways adjacent to metropolitan areas, a far-out concept at first glance, reflects several trends already under way.

Government-financed study claims that it's economically feasible to prefabricate components of a neighborhood, complete with public facilities and tow it to permanent site on steel

or concrete platform. Trend towards prefabrication is well under way of course.

Several "new towns" built from scratch are springing up around the country.

And urban land is becoming recognized as a vanishing resource to the extent that reclamation of shoreline and location of air strips on bodies of water are in varying stages of planning or execution.

FOREIGN TRADE

Threat of foreign competition accounts for some pressure for continued development of improved nuclear facilities for power generation.

One government official sees analogy with supersonic transport. In his view, U. S. program gained much impetus from competitive threat of British-French Concorde airliner project.

Backers of U. S. supersonic jet base argu-

ment heavily on both projected sale of American craft to foreign carriers and threat of foreign inroads on domestic market here if American plane isn't built.

Using same reasoning, Atomic Energy official notes that Europeans and others are fully committed to developing reactors that make most economic use of nuclear fuel.

Failure of U. S. industry to keep abreast, he says, would give foreign manufacturers an edge.

PUTTING BLACKS IN THE BLACK



PHOTOS: DENNIS BEACK-BLACK STAR

Alfonso Porter, Jr., new black entrepreneur gets his drug store in Philadelphia's Progress Plaza ready with help from government and private loans.

Martin Marietta Corp., Uncle Sam and a small group of Washington Negroes put their heads together several months ago and came up with DICO, a Negro-managed and operated woodworking company near the riot area of the nation's capital.

Phillips Petroleum Co. is exploring the possibility of putting up \$20 million to help 250 Negroes, Indians, Eskimos, Mexican-Americans, Puerto Ricans and Oriental Americans to open and own service stations.

The Menswear Retailers of America and men's clothing manufacturers working with the Small Business Administration of the federal government, have arranged lines of credit, laid out shops, taught accounting, cost-pricing and planned advertising programs for Negroes all across the country who are now opening their own shops.

Chambers of commerce and other business groups in Cleveland, Pittsburgh, Milwaukee, Rochester, San Diego and many other cities have set up committees which are busy raising money through banks, offering legal and business advice and arranging manpower training for minority entrepreneurs.

It's what's happening in a great many places. The Greater Detroit Board of Commerce, for example, has helped 76 new or revitalized businesses in every phase of operation. To make certain that Negro entrepreneurs get what they need, an "Adopt a Business" program was launched in October wherein a company takes a new Negro company under its wing and literally assures it of success.

On Detroit's Commercial Development Committee, which is part of the Board of Commerce, are a dozen businessmen who have literally created competition for themselves. And they've done it willingly.

Thad Gaillard, chairman of the committee, is president of the Great Lakes Mutual Life Insurance Co. He is a Negro and has trudged through the snow at night to help straighten out the bookkeeping of another minority citizen who was trying to get started in the insurance business.

Several Detroit Negroes received help last winter from the committee. In appreciation they made standing offers to help others.

Detroit was the scene of the worst of recent riots, but that sad event probably hurried formation of the committee and of several other business organizations in the city which are helping new entrepreneurs.

However, the committee had been planned several months before the 1967 rioting and had already offered assistance to new businessmen in marketing, management, education, insurance, legal matters as well as helping financially.

Joseph P. Alam, Detroit certified public accountant, was asked to help a young Negro couple, Herbert and Rosemary Martin, get their new day school launched.

Mr. Alam found something close to chaos in bookkeeping, funding, business procedures. Credit lines hardly existed.

He has now spent hundreds of hours with the Martins who may be fine teachers, but knew little about business. Mr. Alam has lined up credit for them and the school is on its feet.

"I've enjoyed it," Mr. Alam says. "It's taken a lot of time, but it's something that needs doing and I'm going to keep on doing it. It is the right thing to do and that makes it good."

In Pittsburgh the Allegheny Conference, representing successful and public-minded firms, is directly financing Negro-owned, managed and manned companies. Pittsburgh's largest banks now cast sympathetic eyes over applications for loans from Negroes who want to go into business for themselves.

Hundreds of banks in Houston, Atlanta and scores of other cities and towns have designated special personnel to work on applications for high-risk business loans.

SBA's "Project Own"

Just a year ago the SBA's "Project Own" which depends on private banks for financing had not even been thought of. Neither had "Adopt a Business." With the exception of Rochester, Detroit and a few other places, plans of city groups to increase Negro participation in management and ownership were only in the talk stage.

Today, a whole package of effort is developing which is giving high-minded—and pragmatic—businessmen and government workers personal satisfaction and a sense of accomplishment. Over the long pull, many acknowledge, they may be saving their own businesses from economic boycott or even a Molotov cocktail.

A year from today, everyone predicts, the tempo will have quadrupled. New shops, small manufacturing plants and service organizations owned or operated by members of minority groups will then be coming into the business stream, one

optimistic government prediction says, "at a rate of 20,000 a year."

There is no way of counting precisely the number of new Negro entrepreneurs created in the past year or two. SBA officials won't even guess. Neither will chambers of commerce estimate the number begun in their cities. Many city licensing bureaus cannot say because applicants, by law, are not obligated to list their race.

Whatever the total is, it cannot have very much effect on the proportion of minority-owned as compared with white-owned firms. Minority groups now make up just over 15 per cent of the population and their members own just over one per cent of the businesses of America.

Howard J. Samuels, Administrator for SBA, gave an indication of the increasing pace when he said recently, "Of the \$800 million in loans being guaranteed this year by SBA, \$50 million is going for minority businesses. That proportion is rising to \$100 or \$125 million of the next \$1 billion to be guaranteed."

Only rare complaints have been heard that older, established businesses are injured by formation of Negro- or other minority-owned firms.

There are several reasons. One is that only the better representatives of minority groups want, and are willing, to operate businesses. Hours are long and work is hard. Not everyone is willing to labor so diligently.

Another reason is that thousands of small businesses—some Negro-owned and others white-owned—have been destroyed in rioting. A Negro owner of a men's wear shop in Washington has been burned out three times in 10 months by Negro gangs.

In other words, there's plenty of room for small shops, manufacturing plants, service organizations, service stations and restaurants inside riot areas.

Needed: capital and know-how

One great divider of the men from the boys has been the requirement that would-be entrepreneurs have money of their own to invest—even if it is only \$200 or \$300. Entrepreneurs must also have basic know-how in the business area in which they want to set up.

Naturally no Negro straight out of a Louisiana canebrake will get a loan to start an electronics company however honest, deserving or hard-working he might be.

Normal good business practices

are insisted upon by lending agencies, banks, federal, state and local governments and sponsoring industries. Principles of private enterprise are followed and some of the top people in government agencies dealing with the problem are former businessmen or men on loan from private companies.

There have been rough spots and more are anticipated because of the divergent aims of the human ingredients involved—Negro militants, idealistic social workers and overly optimistic government people, wary bankers and hard-nosed businessmen.

Relationships between business and the SBA have been good, probably better than relationships between the SBA, Negro militants and Negroes seeking loan guarantees.

Slow processing of applications was an often heard complaint in four cities.

The most sophisticated complaint against the SBA is that too often money is guaranteed for companies which operate only in minority areas for minority people. Such companies bring in little outside money and they tend, in some cases, to perpetuate segregation.

Too much caution

Complaints against banks and businesses center on claims that too much caution is shown in stepping forward to help, or to lend money. The complaint that whites wash their hands of the project once the company is launched is not heard these days because emphasis is put now on the follow-through.

Whatever else it has done, the entrepreneurial program has brought private industry together with government for the public good.

During the Presidential campaign both Richard Nixon and Hubert Humphrey promised to carry on government participation and encouragement. If anything, Mr. Nixon's plans for creating new businesses as opposed to welfare pay-outs, was the more comprehensive.

For years there were scattered cases of predominantly white businesses helping to launch and keep afloat minority businesses. Nearly 70 years ago the great Negro leader, Booker T. Washington, founded the National Business League which promoted Negro businesses. This organization is still highly active and today has a program called "Mainstream" which brings together white and black businessmen to help promote Negro businesses.

Howard University, the predominantly Negro university in Washington, has its Small Business Guidance and Development Center which helps new entrepreneurs in scores of ways.

The Interracial Council for Business Opportunities has funds for new Negro businesses, part of which are church funds.

Foundations were early on the scene and have for many years financed projects. The Ford and Potomac Foundations have been planting seed money in the Baltimore area for two years.

Mom and Pop stores no answer

A recent article published by The Greater Cleveland Growth Association dealt at great length with the psychology, concept and philosophy of white help for Negro businesses.

The article, entitled "Big Business and the Black Entrepreneur," was written by Prof. Richard S. Rosenbloom of the Harvard Graduate School of Business and Mary P. Rowe, development economist. In part, it said: "Big business is widely attacked in the black community because its often stated willingness to help seems designed to perpetuate, rather than to share, white economic control."

"The white hand being offered must belong to one who looks beyond the time when white business must help, to the time when black and white can compete on a fair basis."

"Joint ventures with large corporations offer an important opportunity to build 'green power' for the black community. The joint venture permits a black entrepreneur to undertake more complex and large ventures than would be possible by any other means. Make no mistake about it, the purpose of fostering black entrepreneurship will not be served unless they (the black entrepreneurs) can produce large and efficient enterprises which can compete openly in the mainstream of American business."

"The impact on a community of black-owned and operated corporation with 500 employees and markets outside the ghetto will be far more potent than would 100 neighborhood-oriented firms with five employees each."

"Efforts to revive an economy of small shopkeepers and center city, labor intensive industry—instruments which served magnificently for the economic assimilation of the immigrants of the first third of this

century—will not meet the needs of black America in the last third of the Twentieth Century."

Aerojet-General Corp., seemed to have this thought in mind in 1966—one year after the Watts riots—when it set up a subsidiary called Watts Manufacturing Co. in the middle of the riot area of Los Angeles. Watts Manufacturing is no Mom and Pop operation. It now has 500 employees and last year sales totaled \$2 million. This year sales will reach \$4 million and a slight profit will be turned.

Dan A. Kimball, chairman of Aerojet's executive committee, who lived in Watts many years ago, thought of the idea of a company that would train and then employ unskilled area workers. A Negro, James Wood, is president, and his son, Leon, is general manager. The company is turning out tents, shipping containers, furniture parts, metal components and electronic subassemblies.

What Westinghouse is doing

During the winter Westinghouse Electric Corp. is set to open a subsidiary to assemble small industrial vehicles in one of the six Negro areas of Pittsburgh. The 100-worker plant, located next to a small industrial park which also will be Negro-owned, will eventually be managed and operated entirely by Negroes. Business and Job Development Corp., a biracial, but mainly Negro group, set up the plant.

Westinghouse used psychology in establishing the plant. It obtained site suggestions from BJD. Complaints of 13 families which had to be moved from the selected site, were taken into account. Forrest L. Parr, Negro president of BJD, met with Pittsburgh's wildest militants and quieted them. Financing was arranged primarily by Pittsburgh banks, a state development authority and the Allegheny Conference.

"Militants realize now they must have white expertise for business," Mr. Parr says. "They're proud of the Westinghouse plant. It sits on top of a high hill and you can see it from all around and all the blacks say it is 'our plant.' It was rough going for a while, especially when the militants found those families had to be moved. I get along with them much better now; but they still think I'm 'establishment oriented.' That's because I wear a necktie."

Besides working through the Allegheny Conference, the Pittsburgh business community, BJD and Ne-

'69 Chevrolet Medium-Duty Trucks



**If you think you've got a tougher truck,
come out in the alley and prove it!**

Chevy trucks do some of their best work in back alleys and traffic-jammed streets. Tilt cab models, particularly,

With short tilt cab, you can carry a big van body and still get in and out of tight spots easily. Tilts save on maintenance time, too.

Series 50 and 60s pack a lot of power and economy on regular gas. Specify from a big engine lineup—292-cu.-in. Six, new 350 V8, 366 or 427 V8.

And remember this: industry scrappage records show that a smaller percentage of

Chevy trucks are scrapped, year after year.

Get one of the haulers that are out working when others are worked out, at your Chevrolet dealer's. . . . Chevrolet Division of General Motors, Detroit, Michigan.



More trucks are Chevrolets
because Chevrolet is more truck!



UNION PACIFIC RAILROAD

**Paper
manufacturer's
market expansion
has inside track**

Aided by the latest technology, America's paper industry is continuously developing exciting, new papers and paper products for all phases of modern life. And the paper industry on all levels has found Union Pacific ready for tomorrow's needs with computerized operations—with microwave communications—with specialized new rolling stock and service to and from the important markets of the booming West. In paper, as in every business area, Union Pacific offers the inside track.

And for inside information on choice industrial sites in the booming West, write in complete confidence to Edd H. Bailey, President, Omaha, Nebraska 68102.



A Westinghouse assembly plant for small vehicles goes up in a Pittsburgh Negro area. Alphonso Whitfield, Jr., at left, will manage the all-Negro installation. Forrest L. Parr, another Negro, helped in lining up financing

PUTTING BLACKS IN THE BLACK *continued*

gro groups use the Pittsburgh Chamber of Commerce's Human Resources Development Committee and Small Manufacturing Council for advice and as lines of communications with the white community.

Eastman Kodak Co. and the local Chamber of Commerce are the two main guiding hands on the Rochester Business Opportunities Corp. Several years ago they both began working toward establishing Negro entrepreneurs. A militant organization, known as FIGHT, had the city in turmoil and resolute action was needed quickly.

The company and Chamber got together to form RBOC which now operates out of the Chamber's library. During a recent six months period RBOC handled 124 cases involving loans and assistance to help establish organizations dealing in retail goods, construction, restaurants, trucking, beauty and barber shops and light manufacturing. Twenty-seven RBOC-sponsored businesses are already in operation. Several established Rochester companies now do business with the new companies and several dozen white businessmen have signed up to provide expertise to innercity entrepreneurs.

Xerox Corp. has aided Negroes in Rochester and other cities as well.

Threefold program in Milwaukee

A small group of Milwaukee businessmen is moving along well on a three-fold program: to help would-be entrepreneurs put together their proposals for a business; help in

obtaining financial assistance, and provide a continuing source of assistance. Companies, oftentimes with the help of Metro Milwaukee Association of Commerce, who are acting to help entrepreneurs, include Universal Foods Corp., Kimberly-Clark Corp. and Allen-Bradley Co. SBA has launched nearly 40 small companies in Milwaukee.

San Diego has been relatively free of racial trouble; but a program is in being just the same. The Chamber of Commerce has added a Negro employee to its staff who is setting up channels through which minority businessmen can consult executives of the white community. Another group, Association of Small Business Men, was founded with the help of whites and has launched several new companies.

In Cleveland, Negro entrepreneurs of considerable size have operated for decades. Their number has increased considerably in recent months through the efforts of scores of white businessmen, large industrial organizations, Greater Cleveland Growth Association, local and federal government agencies and Negro groups.

Warner & Swasey Co. launched the Hough Manufacturing Co. last spring and eventually it will be Negro-owned. Negro electrician Paul Hamilton and his colleagues of the Cleveland Business League, Inc. have helped start new businesses and expand others.

Cleveland's Hough Area Development Corp. was put together to

build better Negro housing primarily by the Rev. De Forest Brown who has a black nationalist flag in his office, and Richard Tullis, president of Harris-Intertype Corp.

Another major figure in helping inner city entrepreneurs is Robert C. McDowell, chairman of the board of McDowell-Wellman Engineering Co. who has a Confederate flag in his office.

A large Negro-owned shopping center is planned for Cleveland and another has just been opened in Philadelphia. A large supermarket is planned for Detroit.

In Washington Fairchild Hiller Corp. joined forces with an inner city development organization to form a company called Fairmicco. It is designed to make profits and train and employ jobless minority workers. The SBA helped in setting up the company which makes wooden pallets, cable assemblies, boxes and antennas.

The company hopes eventually to sell its stock to residents of the predominantly Negro area where it is located.

Scores of new Negro companies are selling their stock, sometimes at only \$1 per share.

Throughout the effort to help underprivileged men into the business world run two principal strains—pragmatism blended with unselfishness. Many examples back up this contention.

Another theme found in every city's effort is that no handouts must be given, rather minority entrepreneurs must be set up so they can compete for business with white-owned establishments. Negro militants have demanded money, real estate, buildings, subsidies, cash help in meeting payrolls and they have threatened to burn things down if they didn't get what they wanted.

All sorts of tailoring of normal business operational procedures have been needed by executives to save small businesses from oblivion or to get shaky companies on safer ground.

Even the SBA had to re-arrange its operations. Irving Maness, associate administrator for procurement and management assistance, discovered early in the game that because of complicated government contract letting procedures many new companies could not bid for and get government work. To get around this SBA turned itself into the prime contractor for Department of Defense work and then sublet the work to budding entrepreneurs. **END**



RUSSIA: FUTURE FRIEND OR FOE?

Back in 1945, before the Soviet Union launched two decades of cold war leading to massive support for North Viet Nam and its wrenching of Czechoslovakia back into the Soviet orbit, W. Averell Harriman delivered a prophetic assessment of Russian intentions.

The Ambassador was in San Francisco, where the United Nations was launched amid great hopes for peace. He warned that Soviet and American objectives were "irreconcilable" and would demand great efforts to avoid mutually destructive war.

Years later, in 1963, the Ambassador was in Washington after negotiating a test ban treaty with Moscow in an atmosphere which some chose to regard as a significant easing of tensions following the 1962 Cuban missile crisis.

To emphasize what the treaty meant for U. S.-Soviet relations, Mr. Harriman recalled his San Francisco warning and declared: "I still say that . . . I say that our objectives are still irreconcilable."

He warned that the Kremlin remained determined to communize the world by any means—including so-called wars of national liberation—short of nuclear war. "So don't let's have any illusions about our relations with the Soviet Union."

Where do we stand today, with the rise of Soviet missile and naval power, Czechoslovakia, Viet Nam and new threats in both Asia and Europe?

The outlook is bleak.

It's so grim, in fact, that one au-

thority on Soviet affairs told NATION'S BUSINESS that he faults Mr. Harriman, our negotiator with the North Vietnamese in Paris, and Secretary of State Dean Rusk, target of abuse as a Viet Nam hard-liner, as too optimistic in their world outlook.

This authority is Zbigniew Brzezinski of Columbia University, a long-time consultant to the State Department and the RAND Corporation, who foresaw years ago that the disintegration of the Soviet bloc would mean a new challenge to the United States.

Interviews with a number of authorities in and out of government yield a number of sobering conclusions.

Most observers agree that the relations between the United States and the Soviet Union will remain central to American foreign policy and strongly influence domestic policy. For example, one recent school of thought held that the Cuban missile crisis represented a watershed in U. S.-Soviet relations, that a period of détente, defined as a gradual, irreversible process of conciliation had set in. (Or would if only America would quit gumming up the process in Viet Nam.)

The other body of opinion, of course, holds that it's a pretty poor process of conciliation that demands U. S. acquiescence in Soviet supported wars of national liberation. And such Red policy was proclaimed as official Russian policy even in the balmy days of peaceful coexistence.

The cold war, though vastly changed, is far from over; its perils are not diminishing and could well increase. Disintegration of the Soviet bloc may tempt Russian leadership to new and desperate measures.

Expanding U. S. and Soviet interests may tend to collide increasingly around the globe as instability and tension in third countries become involved in the international power struggle.

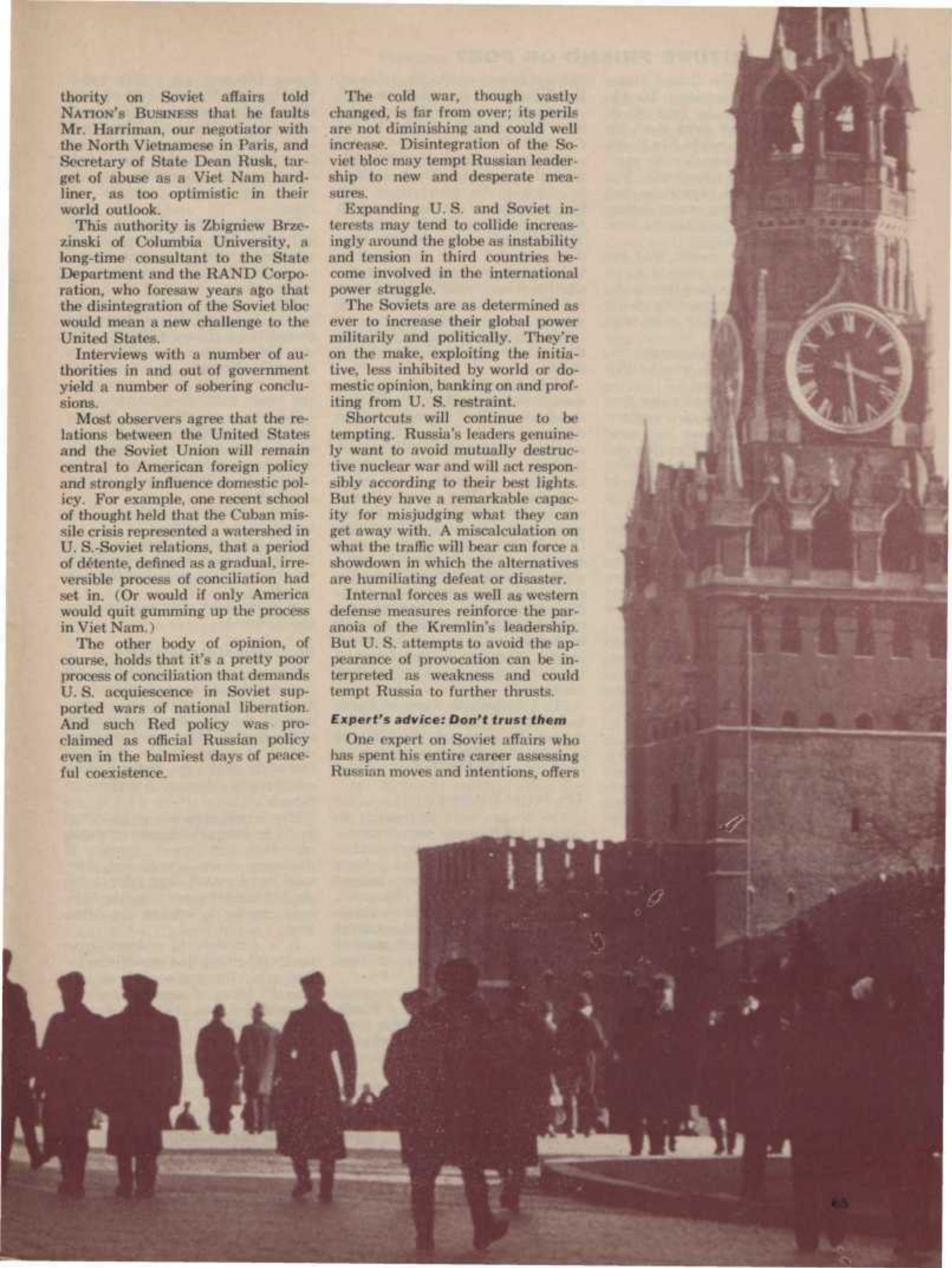
The Soviets are as determined as ever to increase their global power militarily and politically. They're on the make, exploiting the initiative, less inhibited by world or domestic opinion, banking on and profiting from U. S. restraint.

Shortcuts will continue to be tempting. Russia's leaders genuinely want to avoid mutually destructive nuclear war and will act responsibly according to their best lights. But they have a remarkable capacity for misjudging what they can get away with. A miscalculation on what the traffic will bear can force a showdown in which the alternatives are humiliating defeat or disaster.

Internal forces as well as western defense measures reinforce the paranoia of the Kremlin's leadership. But U. S. attempts to avoid the appearance of provocation can be interpreted as weakness and could tempt Russia to further thrusts.

Expert's advice: Don't trust them

One expert on Soviet affairs who has spent his entire career assessing Russian moves and intentions, offers



RUSSIA: FUTURE FRIEND OR FOE? *continued*

this assessment: The United States cannot trust the Russians. It's absolutely essential to base U.S. policy on what we think they can do, not what they might like to do. And their intentions are to push their own interests relentlessly. For example, they will violate the test ban treaty without a qualm if they think it necessary to achieve a weapons breakthrough.

His assessment recalls that the Russians told world opinion to go hang, back in 1961, when they broke the 1958 test ban moratorium on the eve of a conference of so-called non-aligned nations.

This brutal timing thoroughly intimidated conferees, who hardly raised a word in protest.

This long-time expert notes that the communists sized up President Kennedy as a pushover the same year after the Bay of Pigs debacle, his talks with Khrushchev in Vienna and the Administration's failure to take action against construction of the Berlin Wall.

President Kennedy's unexpectedly—from their standpoint—tough stand when they planted offensive missiles in Cuba and unwillingness to allow Russia to upset the world power balance shocked the Russians down to their boots.

The Russians were "damn fools to think they could get away from it," comments another Soviet watcher, Charles W. Yost, a senior fellow with the Council on Foreign Relations and a former Ambassador to the United Nations.

Ambassador Yost cites Cuba as a striking example of both Soviet miscalculation and a troublesome determination to shed second-power status and become equal "in ele-

ments of power—militarily and in political influence around the world."

It was an example of miscalculation that prevails today in the Czech situation.

Mr. Yost reports that Russian tactical unit commanders had orders to check in for instructions with local communist party bosses in areas they occupied in the invasion. The implication was that the Russians expected to be welcomed by real communist leaders among the Czechs. They couldn't perceive of the Czech reforms as what they were—a surge toward freedom.

It's this Soviet capacity for blunders that keeps U.S. experts up nights.

That's why, for example, the Russians have been told repeatedly that an attack on West Germany will be construed by the United States as an attack on America. "We've told them in every way you can imagine," says one Pentagon official.

Ambassador Yost expects Russia will continue behaving badly, though more rationally in relations with United States than with former satellites. Soviet leaders, he says, appear "desperately attached to a status quo that seems to be crumbling around them." They see communist domination coming unstuck or threatening to do so at home and abroad. "Leaders in that frame of mind are not always as cool as they might be."

Mr. Yost believes there are forces within the Soviet Union working toward its eventual development as a more stable, less aggressive, more inward-looking nation.

The Soviet dilemma

The Soviets want desperately to catch up with—some say surpass—the United States. But they need to keep domestic dissatisfaction down by diverting more resources toward the "good things of life." They will have to restructure their economic system to harness the full potential of a technological society toward achieving military and political goals.

This could mean more economic freedom and a larger role for individual initiative, a long-term trend toward political freedom, and more responsive, less aggressive government.

If Russia does not go this route, its economy will eventually stagnate and leave the country, however hostile, in a weaker position to do anything about it.

Either way, and decades in the

future, life may get a little safer. No détente in the sense of "spiritual affinity," but perhaps glacial process with backing and filling possibly limited agreements to keep from blowing up the world, balanced against provocative thrusts where the payoff outweighs the risks.

The theory that internal forces will bring long-term change, however, is disputed by another authority with life-long involvement in foreign affairs.

This authority, who cannot be quoted by name, plays down the prospects for change within the Soviet Union—either any yielding to domestic demands or any fundamental evolution of the economic—and hence political—structure.

He points out that the Soviets have done superbly well in harnessing the needed money, materials and manpower for top-priority goals whether in military, space or scientific fields.

"They make the decision, 'This is vital to us,' and do it."

This authority is more wary of the Soviets than Ambassador Yost, who himself is skeptical of Russian intentions.

"I don't think they lost much in Czechoslovakia," he says.

Repression still a Soviet tool

Secrecy, recurrent crackdown on free speech, press censorship all remain basic tools of Soviet government in the view of many students of the Soviet. There may be no reversion to massive police state tactics of the Stalin era, but still more smaller and selective shipments to Siberia.

Russia will remain a great threat to U.S. internal security through espionage, one expert warns. If American secrets are needed, they will be pursued with the same singled-minded persistence the Russians employ to achieve any other goal.

It is a mistake to underestimate Soviet intentions and capabilities by measuring Russian society against ours in terms of meeting popular demands. Again, it's more a question of priorities. Like auto production: "I don't think they want their people driving around too much all over the country."

A similar assessment comes from Richard V. Allen, a staff member of the Hoover Institute for the Study of War, Peace and Revolution at Stanford University and a respected writer on communist affairs.



Soviet Premier Brezhnev (at right) and Party Secretary Kosygin could misjudge U. S. firmness abroad.

Mr. Allen argues strongly for reducing U.S.-Soviet tensions but feels the process is ill served by the notion that we're in a period of détente when we're not.

He seeks to puncture inflated optimism by pointing out that the Soviet Union clearly exploited the American theory of commonly shared interests with Russia, the joint role as world policeman, the talk of two super-powers being "on a convergence footing," the demise of bad old Khrushchev and of "McNamara and Kosygin—two businessmen talking each other's language"—that somehow Russia's leaders were now more pragmatic, that the technocrat generation was taking over.

Mr. Allen notes sourly that the "joint policeman" theory emerged not long after John F. Kennedy stood up to Khrushchev over Cuba.

The USSR used the period of détente, so called, to move ahead with an antiballistic missile system, achieved new mobility for Soviet strategic forces, perfected an ability to support wars like Viet Nam and built up a threatening naval force in the Mediterranean.

American miscalculation of Soviet intentions, he argues, rests on our tendency to apply a "mirror image" approach, to assume that the Russians will react to the same influences in the same way we do in some parallel pursuit of self-interest.

By contrast, he cites the force of world public opinion, in deference to which "Czechoslovakia couldn't happen."

"The whole point is that the Soviet Union never has and probably will not for the foreseeable future let world public opinion be a criterion for action or nonaction when its vital interests are at stake."

Those caught on the horizon this fall did not include Mr. Allen, who was on leave from Stanford and working as director of foreign policy research for Richard Nixon's campaign.

On July 18, well before the Russian invasion, when there was premature celebration over the Czechs' having won, he sent a memo to a fellow campaign aide, Patrick Buchanan: "It looks like the Soviets and the Czechs are on a collision course with the impact days away. The Soviets cannot afford to lose Czechoslovakia and already their options are narrowed—they have too much on the line now."

At about this time, a foreign policy adviser to a prominent Senator with

dovish leanings was confiding to NATION'S BUSINESS his convictions that the Czechs had won their fight.

What Czechoslovakia signifies

Mr. Allen claims that Czechoslovakia, rather than signaling a new shift in fundamental Soviet policy, illustrates instead an underlying continuity of Soviet behavior and shoots down the long-popular theory of détente.

His crucial point is that a genuine mellowing of East-West relations would gradually have allowed the Czechs to tiptoe out of the Soviet bloc like Jack in the Beanstalk making his departure from the giant's castle. No moment of extreme provocation would occur. But the fact is that the "critical crossover" point never occurred. The Czechs never made it.

In his view, the policy of bridge-building breaks down, arguing for a policy of extreme vigilance and pursuit of U. S. military superiority. "The Soviets are striving for superiority across the board," he says, rather than mere parity.

Thus tensions will be reduced only when the Russians become convinced that they cannot catch up.

Mr. Allen recommends unlimited East-West trade in finished consumer goods—a nonprovocative weapon—but not the latest industrial technology they could duplicate. And he would argue for a more conscious and comprehensive structuring of U. S. foreign policy focused more directly on the American stake in the confrontation with Soviet Russia.

Mr. Nixon himself has called for "clear-cut military superiority" over the Soviet Union.

"Our object is not belligerency, not turning ourselves into an international bully, not truculence or arrogance—but the very opposite."

"We will need to bargain on our side not with concern but with confidence—not from weakness but with the persuasiveness of respectable and evident power."

And he subsequently emphasized the Soviet Union's role in Viet Nam by calling for Russian participation in the peace talks.

Concern over the Soviet Union has appeared less of a partisan issue since the departure of Defense Secretary Robert McNamara. Defense Secretary Clifford expresses extreme caution.

"It's a perilous field to predict what the Soviets will do," with hardliners in the saddle in Moscow, the

fleet cruising the Mediterranean with no defensive excuse, and Russian concern over economic development in satellite countries and their growing trade with Western Europe.

He has called for "constant surveillance," strengthened NATO as a deterrent to Red expansion and U. S. nuclear superiority.

Many observers share the worried views, particularly after the declaration by the Soviets of determination to intervene anywhere in the communist commonwealth where Red interests appear threatened. And that means Russian national interests, because the Soviets since the days of Stalin have never allowed comradely considerations of international revolution to get in the way of purely Russian interests.

Many experts on Russia have been dead wrong in the past. One tells of the mistake made by another close observer of the Russians—Jan Masaryk. Urged by a friend to stay out of his native land, the Czech patriot replied, in effect: "I know the Russians. I can handle these people. I realize that they are tough, hostile, but I can take care of myself."

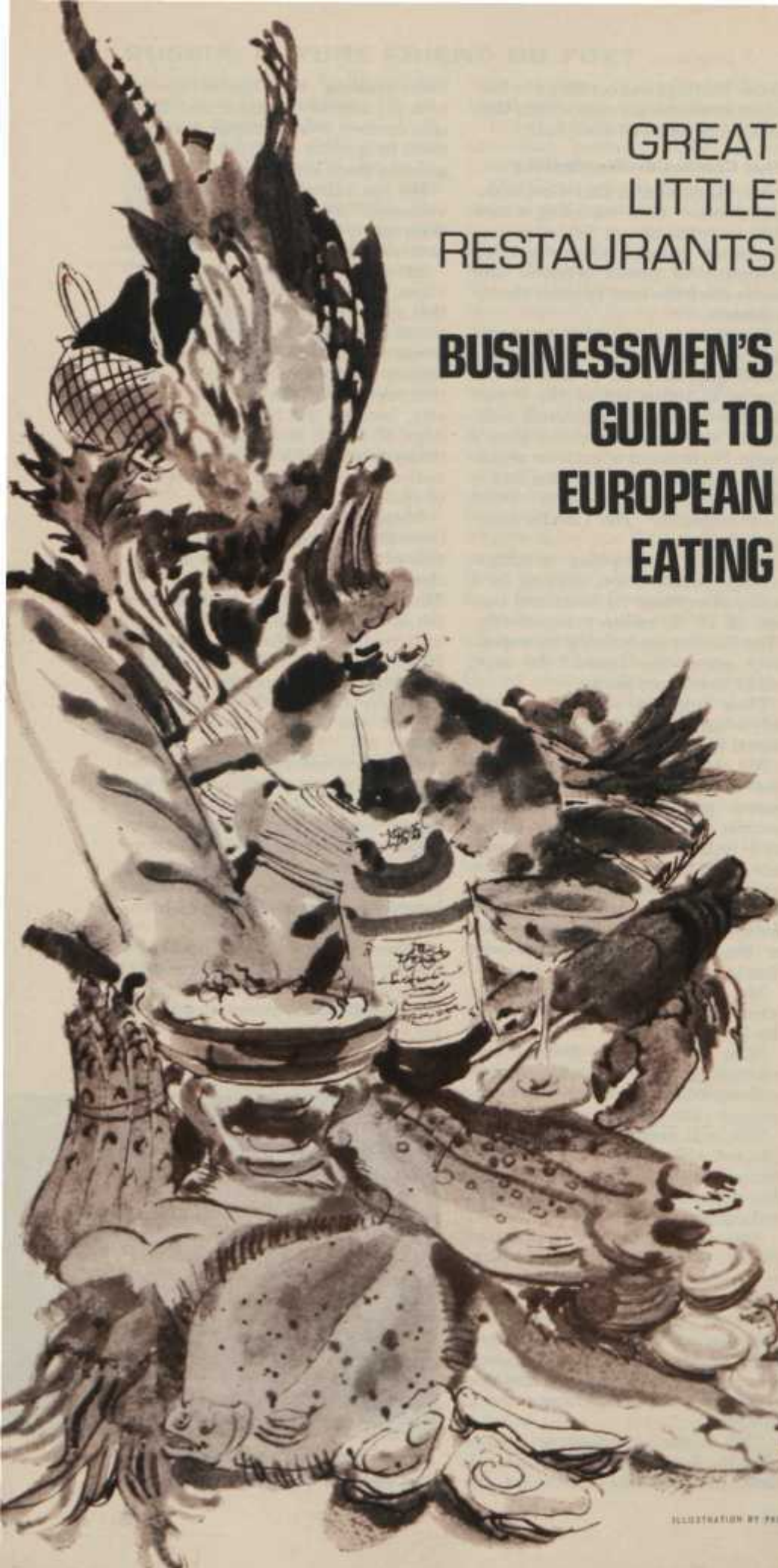
That was shortly before his "suicide."

Some sources interviewed by NATION'S BUSINESS would not rule out the possibility of a Kremlin coup or palace revolt. Mr. Yost, for one, while not expecting such a development, concedes that one could occur and that even harder-line Stalinists bent on harsher repression at home could take over.

Given the history of the Soviet Union for the past half century, there are scant grounds for expecting Russia to be more friend than foe. **END**



Missile ship highlights increase in Red strength in Mediterranean Sea.



GREAT LITTLE RESTAURANTS

BUSINESSMEN'S GUIDE TO EUROPEAN EATING

LONDON—You may need a flashlight, a street map, directions from several Bobbies and a sober taxi driver to find The New Friends Restaurant deep in the reaches of Limehouse.

But once you make your way through London's East End to the restaurant you are likely to sit down to one of the finest Chinese-Cantonese style-meals you will ever eat.

The New Friends is one of the great restaurants that few of the 700,000 American businessmen who come to Europe know about.

Everyone who comes over knows the great, large restaurants—Kimpinski's in Berlin, Maxime's in Paris, Simpsons-in-the-Strand and The White Tower in London.

Hardly anyone knows about elite little restaurants.

Since American businessmen spend an average of 15 days over here and eat three times a day, there are 31,500,000 meals to be consumed. With meals averaging between \$4 and \$5, American businessmen will put down between \$125 and \$150 million for food.

For that kind of money you should get the best.

Whether on business or pleasure the following list is equally useful. These restaurants are small to medium-size, some are expensive, some cheap. Most are near large hotels in which American businessmen stop. These are the places the natives go for fine meals in cities where American businessmen go most often:

LONDON—The New Friends, 185 Salmon Lane, E 14. In a former store, four rickety floors high. C. Cheung is the owner.

Rules, 35 Maiden Lane, WC 2. Operating since 1789, this is a man's place, old-fashioned, fairly

expensive, five minutes walk from The Savoy and Strand Palace hotels which are American favorites. Dickens, Thackeray and King Edward VII ate here regularly. The king, who would bring his many girl friends in through a private entrance, knew his food as well as his women.

La Parra, 63 Draycott, SW 3. Spanish, only 40 seats, family operated, down a flight of stairs, looks like a high-class cave. You need reservations or a bribe to get a table. Recommended bribe, \$1. Quite chichi. Near Hyde Park, South Kensington and Knightsbridge hotels.

Biagi, 39 Upper Berkeley St., W 1. Italian, tiny, dark and Chef Domenico does the cooking in the basement, sending the food up in a dumbwaiter. This is for gourmets who don't worry about their weight.

San Frediano, 62 Fulham Road, S.W. 3. A new place that is catching on fast. Florentine food in a jolly atmosphere. Huge shrimp; try the cooked mushrooms.

ROME—Hostaria di Villa Massimo, Viale de Villa Massimo. Mention this place to a Roman and he'll think you know more about the capital than he does. It's small and goes in for truffles.

La Fontanella, Largo Fontanella Borghese 86. Bigger and better known, but not yet spoiled. Game and steak are specialties. You see distinguished Romans here every night. The place looks more expensive than it actually is.

Angelino, Piazza Margana. During nine months of the year you dine outside on a small square where you can eat well, drink good Italian wine and watch the pretty Italian girls go by.

Romolo, Via Porta Settimiana 8.

This is the place for food and wine of the Roman countryside. Waiters are fierce in defending Italian cuisine over French, so don't ask for French dishes.

MILAN—Don Lisander, Via Manzoni 12. You can get beef cooked in whisky here, lasagna with heavy cream and breast of chicken. This is northern Italian cooking. Filet mignon is very American.

Bagutta, Via Bagutta 14. A small place where artists go with their girl friends. Paintings abound and when the weather is good, you eat in the open air.

TURIN—Il Bue Rosso, Corso Casale 10. Appears to be a third-class restaurant, but don't let that mislead you. It's well known locally for good food, especially fondu, truffles.

FLORENCE—Trattoria, Via del Proconsolo. One block from the Cathedral all Americans visit. It's tiny, seats not more than 25, patrons range from the mayor to laborers. It's noisy, waiters scream orders. Try the roast veal. Also try out your Italian on the Italians who probably will be sharing your table.

I Tredici Gobbi, Via Della Porcellana. This unattractive name means "The Thirteenth Hunchback." Steaks, french fried onions are best. It seats about 50 in somewhat fancy surroundings. The pizzas aren't like pizzas at home.

PARIS—La Colombe, 2 Rue de la Colombe, Paris 4. On the Ile de la Cité, seats 25, has music and the fastest moving waiters in France.

The owner looks like a foreign minister. Duck and peaches is a speciality. If you don't like dining with Frenchmen, stay away for this is one of their favorite places.

Tassé du Chapitre, Rue St. Louis-en-Ile, Paris 4. Here's the place for American beef-eaters. Filet mignon and chateaubriand are excellent.

There's an antique store on the ground level, the restaurant is below in a "cave."

Bateau Mouche, Place de l'Alma, Paris 8. This is a floating restaurant which cruises the Seine from Pont de l'Alma to Ile Saint Louis. Reserve a table against the windows and pick a clear night.

The food is as good as the passing scenery.

Anysetiers du Roi, Rue St. Louis-en-Ile, Paris 4. Guitarists come in off the street to play. If you have a lady along she will get a jar of herbs at the end of the meal. Try the roast lamb.

Mère Michèle, 5 Rue Rennequin, Paris 17. Near the Arc de Triomphe and teeming with American tourists. Only seven tables, so book a day ahead. Price, about \$7 gets a superbly broiled or baked chicken.

Chez Paul, Quai des Orfèvres, Paris 1. Americans flock around this one, too. It's near the Louvre, also small but less expensive than Mère Michèle. You don't linger



BUSINESSMEN'S GUIDE TO EUROPEAN EATING *continued*

over your meal here as you might in more expensive places.

BONN—Im Alten Hut, two blocks from the railway station, at Meckenheimerstrasse 27. The name means, "Old House" and it is ancient. Cheese and beef fondue with cherries jubilee make this restaurant quite different from others. Wooden tables, antique interior, candles and few Americans, except American students going to the University of Bonn.

Maternus. Actually this is in Bad Godesberg, three miles from Bonn but practically the same town. It's across from the railway station. Scores of American businessmen are in Bad Godesberg where the U. S. Embassy and many German government offices are located.

Local custom calls for you to kiss the right cheek of the proprietress. Smoked salmon, trout and venison are recommended.

Winehaus St. Pieter. In the village of Walporzheim, just off the Rhine.

The restaurant is on the outskirts of a perfectly kept medieval, walled city. Vineyards laid out by Romans are on the hills above the colorful restaurant. Charcoal broiled food is popular. Good steaks and venison are served in this medium size restaurant.

COLOGNE—Kuckuck, located in the woods near Cologne Stadium. Not much to do in Cologne except eat and this is the place to get massive roasts in a woodland setting. In good weather you eat on the terrace.

BERLIN—Kottler's Schwabenwirt, Martin Lutherstrasse. South German meat specialties and Bavarian beer which Americans seem to prefer over North German beer. Zither playing.

Aben, On Kurfuerstendamm. Elegant in the old Central European manner. Here you're back in Germany of Kaiser's time. Wine list is one of Europe's best, waiters average one to each two guests and the food is excellent.

HAMBURG—Ehmcke's, near Gaensemarkt. Not many German aristocrats left, but the ones living in Hamburg who can afford Ehmcke's, go there. It is in the grand manner. A great restaurant since the days of Wilhelm I. Baltic seafood is the specialty, as well as North German dishes.

MUNICH—Pfaelzer Weinstube. A one-room place in a castle. Folksy atmosphere, limited menu mostly of wurst, bread, cheese and wine. Not the place to take a prime customer, but homey.

Schwarzwaelder's Weinrestaurant. Small, elegant and possibly the best food in Bavaria. This is the place for a lunch when you want to impress someone. More Americans are finding out about it, so hurry.

DUBLIN—Red Bank Bar and Oyster Bar, D'Olier St. This is a pub and no more. But Irish aristocrats still eat there just like their Victorian granddads. Oysters, bay prawns and other seafoods are specialties. Beer ranges from light lagers to draughts as black as night.

Parnell House, 50 Parnell St. Elegant tavern where the clientele and service are first class, the kind of place to take an Irish businessman and his wife. There's ballad singing several times weekly. Sandwiches are featured but they're different—bigger and better—from American sandwiches.

BELFAST—The Culloden, six miles from Belfast in Craigard, County Down. You eat in an old bishop's house but the food isn't country Irish. It's gourmet with a wide variety. You're expected to order a good wine.

AMSTERDAM—De Groene Kalebas, 2e Weteringdwarsstraat 71. Dutch businessmen get quick, tasty meals here without folderol. If you're in a hurry, this is it. The place is on a sidestreet.

Keyzer, v. Baerlestraat 96. Typically Dutch with big servings of heavy meats and gravy. Go before

the concerts turn out because it's a favorite place late at night. The American consulate is conveniently nearby.

B.B.B., 25 le van der Helstraat. Ten tables and a counter sitting in the middle of a town market. American style steaks are served. Nothing fancy.

Indonesia, Singel 550. If you never had a *Rijstafel* (rice table) you should try it. It's a conversation piece when you get home, plus a great meal. You get from 15 to 25 different dishes. Waiters line up across the room to serve you. Gamelan music from the East Indies entertains you and the Javanese and Sumatran musicians and waiters are all appropriately dressed.

BRUSSELS—La Balance, Rue des Six Jeunes Hommes. Fairly new. American businessmen visiting Common Market headquarters are finding out about it. This medium-size, medium-price place has an open fire in the winter. Don't go unless you want to talk to a client for a while because the service is slow. Cuisine is French and the chef is Yves Demaret.

Au Rugbyman, 4 Quai aux Briques. Three times a week, Maine lobsters are flown in for this seafood house. The chef is a woman, Marie-Claire Degols, who has been cooking in her family restaurant since she was a child. The restaurant is up and down—on three floors. A colorful market is nearby.

ANTWERP—La Perouse, a converted canal boat moored at the foot of Ponton St. on the Scheldt River. This is an increasingly popular restaurant in an increasingly important European business city. Besides getting good *fruits de mer* (fruit of the sea) and *poulet* (fancy chicken) La Perouse is a worthwhile sightseeing venture.

VIENNA—Kerzenstueberl, Habsburgergasse 6. This is pure Viennese food at medium prices in elegant surroundings. It's ideal for business luncheons. Two smallish

Lyon doesn't Stop with the most Durable Finish

MAKE US PROVE IT!

LYON METAL PRODUCTS, INC.
1246 Monroe Avenue, Aurora, Illinois 60007

- ☐ Please send me more complete information
☐ I'd like the name of my nearest dealer

Name _____

Address _____

City _____

State _____

Zip _____



Not that a rugged, 100% acrylic automotive-type finish is to be taken lightly. After all, it'll last with the furniture! It's just that our desk offers so *many* advantages. Take *soundproofing*. For quiet elegance we use honeycomb fillers throughout. Give the back panels and even the drawers, double walls. Take *strength*. Lyon desk tops are made of two layers of steel; the lower layer ribbed for extra rigidity. Consider *versatility*. You can join basic components as you see fit. Consider, too, the exclusive Lyon "lock-in-top" which controls *all* drawers. And the careful sculpturing, which looks less massive, adds leg room. Yet, our prices are attractive. Before you settle for less, *see your Lyon dealer*. Or, write: Lyon Metal Products, Inc., 1246 Monroe Ave., Aurora, Ill., for the name of your nearest dealer and a free color brochure.

LYON OFFICE
FURNITURE

Showrooms: New York, Aurora, Los Angeles

Who could fill a complete shopping center with their own family of franchises?



Gambles, that's who!

Gambles, world's largest franchising organization, offers individuals the choice of many different franchises. Qualified applicants can select a hardline store, softline store, supermarket, drug store, department store, discount store, furniture store, appliance store, variety store, fabric shop, and ready-to-wear shop. Enough stores to fill an entire shopping center.

Today Gambles serves more than 3,300 franchised outlets in 38 states and in all the Canadian provinces. Buying, warehousing, merchandising and data processing services, plus experienced field organizations provide expert guidance in financing, marketing, merchandising and all phases of operating a retail business successfully. Thousands of people have achieved independence, prestige, happiness and financial security.

Want more facts on franchising, the fastest growing segment of American business? Ask us . . . we've been franchising for 35 years. Contact: Mr. E. O. Wack, Vice-president for Franchise Operations, Gamble-Skogmo, Inc., Box 458, Minneapolis, Minnesota 55440.



GAMBLE-SKOGMO, INC.

BUSINESSMEN'S GUIDE TO EUROPEAN EATING *continued*

rooms, quiet and well supplied with waiters who speak passable English.

Cobenzl, 19 Am Cobenzl. On the outskirts of the city and a good place for an evening conference to be mixed with good wine and food. You can see the Danube and lights of Vienna.

It's expensive and you need a taxi to get up the hill.

MADRID—Mesón del Segoviano, Casa Baja 35. The building is Fifteenth Century and the food top-class Castilian.

Ample helpings of meat. Kings used to eat in the building. It's in the old section of the city.

Lachuleta, Echegaray 24. This is a "tascas," typical small Spanish eating place with a bar toward the front and dining tables in the rear. Basque food is served. Shrimp, oysters and squid are specialties of the house.

BARCELONA—La Rotonda, Avenida Dr. Andreu 2. A small restaurant in the basement of a small hotel. The building is ancient; the food is continental.

SEVILLA—Los Duendes, Conteros 29. This is a tourist town and the food isn't outstanding. This small restaurant near the cathedral is, however, a good one, especially for meats. It's not well known.

STOCKHOLM—Stallmastaregarden, Norrtull. Smorgasbord at its best in a Seventeenth Century inn, with a lake view across Haga Park thrown in.

MALMO—Tunneln, Adelgatan 4. Swedish, Danish and French food in a 300-year-old building. Smoked eel and liver paste are its specialties. Floor show and dancing.

COPENHAGEN—A Porta, King's Square, Kongens Nytorv 17. In Denmark Danish pastry is called Vienna bread, so be careful how you order.

This is for typically Danish food, sidewalk eating; good downtown

business location, near shopping and offices.

LISBON—Restaurante Tavares, Rua da Misericordia 35. Fine Portuguese cuisine in the business section. Ideal for working lunches. Food is equal to anything in London.

DUBROVNIK—Astarea. No street address because the restaurant is in a small room inside the old city walls. Napoleon once used the place as a gunpowder room. Owner Ivo Rudenjak is an old-time Yugoslav restaurateur. Some of his special drinks are served in sugar encrusted glasses.

ATHENS—Perivoli T'Oyranoy. Built into the walls of the Acropolis. It's in the ancient section and known as a "tavernes," meaning a small place. This is only for those who like Greek dishes.

Facyo Gerofinikas, Rue Pindarou 10. Near the best hotels and tourist section.

Quiet and suited to business conferences. You enter through a long tunnel into a bright restaurant serving good Greek meats and other dishes.

OSLO—Blom, Karl Johansgate 41. Local businessmen eat lunches here and the artist-intellectual community takes over at night. Piano music.

BUDAPEST—Regi Orszaghazhoz, in the old Parliament Building. Porkolt, which is real Hungarian goulash, is the specialty. Hungarian wine for those who like it.

ZURICH—Zum Roten Gatter. Swiss food often is an unhappy compromise between German and French. This offers German cuisine, meat and fowl. **END**

Send us in when things get tough. Kelly.



KELLY
SERVICES®

Kelly Services. We'll straighten out the files or run the keypunch. Empty a boxcar, take a survey or design a carburetor. Any job, on a long-range or day-to-day basis.

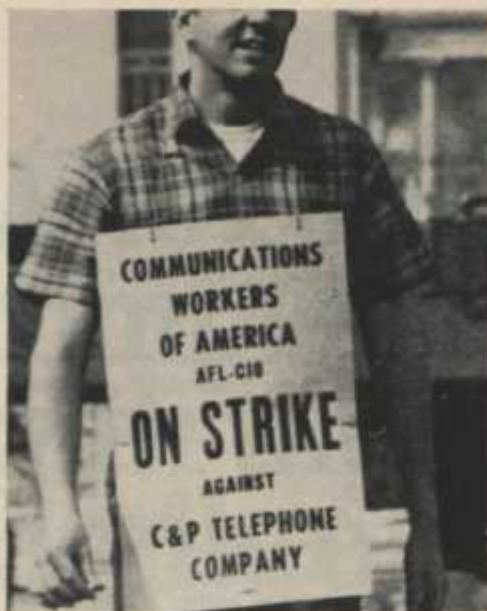


PHOTO: WASHINGTON TELEVISION NEWS



HOW A UNION LOCKS A MAN IN

Henry Daley is a union man. He doesn't want to be—especially after what happened this spring—but what can he do?

Mr. Daley's story is one of mounting disillusionment with the union.

His name isn't really Henry Daley. He doesn't want to reveal his name for fear the union will retaliate when his experiences are published in *NATION'S BUSINESS*. Mr. Daley claims the union, among other things, has:

- Forced him to go on strike without satisfactorily explaining why.
- Denied him striker's pay.
- Discriminated against minority groups within the union.
- Bargained for less pay than the company proposed for some employees.
- Effectively locked him into an organization he doesn't want to belong to.
- Made it impossible for him to protest the way union bosses run his life.

Mr. Daley is a handsome, ambitious man in his mid-20's. He, his wife and two children live in a modest house in suburban Washington, D. C.

For the past few years Mr. Daley has worked for the Chesapeake & Potomac Telephone Co. He joined Local 2108 of the Communications Workers of America, AFL-CIO, while he was still learning cable splicing. The local has 1,300 members in Maryland's Montgomery and Prince Georges counties.

"I didn't know much about unions," Mr. Daley relates, "but since most of the other guys were in the union, I thought there must be some good in it."

Trapped until 1971

In 1966 Mr. Daley first sensed the power the union had over him. The union imposed a "maintenance of dues" arrangement. Under it, any union member who quits still has to pay dues to the union.

The member must continue to pay tribute until 10 days before the expiration of the labor contract when he can get out of the predicament—if he remembers and knows the procedure.

"The labor law won't let the company tell a man how to get out of paying dues, and you can be sure

the union won't tell him," Mr. Daley laments. "What's more, the union keeps finding ways to string out the termination date of the contract—so the 10-day period never seems to come.

"A lot of my friends and I have been trying to get out of the union completely since 1966, but the way it stands now we can't do it before April, 1971.

"That maintenance of dues thing really made me mad. It wasn't the money. They can have their lousy \$1.35 a week. What teed me off was that the union was obviously trying to get a union shop or an agency shop. Neither is worth a damn as far as I'm concerned."

In a union shop, an employee is required to be a union member in order to keep his job. In an agency shop, an employee is required at least to pay dues to the union.

"I don't mind joining an organization on my own accord," Mr. Daley says, "but I do mind being told I must join and can't quit.

"When we craft employees lose our right to quit as a form of protest, we give up any rights we have in the union. Our group is outnumbered in the union by other workers, like the central-office installers, people who have different interests than we have. The National Labor Relations Board won't let us form a construction local with a separate bargaining unit for construction workers."

Some of Mr. Daley's fellow construction crewmen contacted the Teamsters and the Electrical Workers unions in hopes that they would help them kick out the CWA as their exclusive bargaining agent.

But they learned that the whole business of decertifying a union is expensive, requires lawyers and that there wasn't much chance the NLRB would order a decertification election, anyway.

The NLRB usually will not allow decertification of only a part of an existing bargaining unit. The policy has angered thousands of skilled workers across the country who are sealed in unions dominated by the less skilled.

Asked to sign a blank check

During last spring's contract negotiations between the CWA and the Chesapeake & Potomac Tele-

phone Co., Mr. Daley and his fellow employees tried vainly to find out why the union was asking them to strike.

The company's wage and benefit offers had seemed generous to them. In fact, it contained a 7.5 per cent wage increase, the largest proposal ever made by the company.

"Two days before the strike vote I asked a vice president of the local how much more money we were going for," Mr. Daley relates. "He wouldn't say. He just said he needed bargaining room and didn't want to be pinned down.

"I told him that a lot of us didn't want to walk out blindly for the union and that unless he tells us what we're going to strike for, we would quit the union. Finally he said we were going for about \$16 a week more on top and a better distribution of wages."

On April 18, the CWA ordered 200,000 phone workers off their jobs. It was the first nationwide telephone strike in 21 years, but much had happened to communications during the interim. Automation, for one thing. Union leaders were dismayed at how well the phone system kept working without the striking employees.

Innumerable incidents of sabotaged phone cables followed.

"I saw where somebody had sawed through an entire steel U-guard and half a cable," Mr. Daley says. "Sixteen or 17 cables were chopped in my area alone and shots were taken at some other cables."

During the strike, which lasted 18 days, Mr. Daley tried to get strike benefits from the union.

"The union had told us that if we went on strike every one of us would be assured of getting at least \$25 a week," Mr. Daley recalls. "I don't know of any member who got that. When I inquired about strike benefits I was told that in order to qualify I had to prove that I had no bank balance, no person I could borrow money from, no stock I could sell and I'd have to go before a union board and have my case reviewed."

Failing to get strike benefits, Mr. Daley searched for a temporary job during the strike.

"Whenever an employer learned I was a phone worker on strike, he'd say, 'No help needed, buddy'—even though I knew he was crying for

help," Mr. Daley recounts. "I can't blame them."

When union leaders finally realized that their strike was hurting employees much more than it was hurting management, they agreed to submit the company's contract offers to the membership for a ratification vote.

Mr. Daley, anxious to return to work, drove more than 30 miles to vote in favor of the contract. When he got to the voting area, however, a union official told him he couldn't vote because of his resignation threat just before the strike.

"If I had known they were going to do that to me," Mr. Daley says, "I would have stayed on my job through the strike."

Mr. Daley says he was allowed to vote only after signing a paper reinstating himself.

Mr. Daley and other union members overwhelmingly ratified the contract, which was basically the same that the company had offered them before the union ordered them on strike.

Mr. Daley, for example, got a raise of \$12.50 a week. The company had offered him \$12 a week. Taking into account the wages he lost during the 18-day strike, Mr. Daley figures he would have made nearly \$400 more over the length of the contract if the union had accepted the company's original offer.

Employees in other categories came out even worse. For example, 10 days before the strike the company had offered one group a \$9-a-week raise.

The final contract that the union negotiated gave them a raise of \$8 a week.

"When I finally went back to work, another employee stopped me and said, 'Wasn't it stupid? We didn't gain a damned thing with that strike. It was a total waste,'" Mr. Daley recalls.

With an ironic smile, Mr. Daley unfolded a printed "victory letter" sent union members after the strike from Joseph A. Beirne, the CWA president. Mr. Beirne's letter had a postscript:

"P.S. We forgive the management for making us suffer and sacrifice. We hope they have learned more about their employees. We trust they won't force us to do this again."

END

CIVIL SERVANTS— A NATIONAL ASSET



PHOTO: GEORGE TAMES

BY JOHN W. MACY, JR.
CHAIRMAN, U. S. CIVIL SERVICE COMMISSION

In its October issue, Nation's Business published an article, "Riding the Gravy Train," which caused considerable controversy among federal employees and their representatives. (See Letters, page 10.) Accordingly, Nation's Business editors invited John W. Macy Jr., chairman of the U. S. Civil Service Commission, to write the following article which discusses civil service employees and their contribution to government.

From time immemorial a favorite sport of certain commentators and politicians was using federal civil servants as a shooting gallery. These public employees became targets for everything from blame for wasting government funds and causing higher taxes to accusations of serving political interests—the wrong party's interests, of course.

In recent times these targets have moved out of range. As better understanding of public programs and people is gained, more and more citizens appreciate how important human effort really is in achieving public goals.

My distinguished predecessor as Commission Chairman, Robert Ramspeck, set the pace with his "truth campaign" in 1951 and 1952. Since that time, through continuing efforts of good government organizations, employee organizations, and the Civil Service Commission itself, the general public's knowledge and appreciation of the civil service have greatly increased.

Need closer relations

The solution of our critical public problems in the days ahead is dependent to an increasing degree upon a closer and more affirmative relationship between the public and private sectors of our nation. More and more public programs become a responsibility of private organizations through contracts, grants, or other means of collaboration. The line between the two sectors becomes blurred through a rising emphasis on common objectives. Consequently, the need for mutual understanding about the conditions under which men and women work in the federal service is of significant importance.

From time to time questions are raised as to how the employment conditions, compensation, and fringe benefits of federal employees compare with those of their fellow citizens employed by private enterprise.

The federal government, as the nation's largest employer, strives to set an example of progressive personnel administration. In some areas of personnel administration, e.g., the merit system of employment, equal pay for equal work, and equal employment opportunity, government has been an acknowledged leader. In general, however,

employees of forward-looking private enterprise and those of the federal government are treated in very much the same fashion.

How private jobs compare

Some specific examples of employment conditions may be helpful in identifying the factors of comparison.

The work week: The standard work week in government is 40 hours; many industrial contracts call for fewer hours per week. Government employees are paid time and a half for overtime, except that there is a ceiling on overtime pay at grade 10 of the 18-grade salary scale.

Paid leave: Like most private employees, government employees receive paid leave for vacation and other purposes, in addition to eight holidays a year. During his first three years of service, an employee earns leave at the rate of 13 days a year, for the next 12 years he earns 20 days, and after 15 years he earns 26 days. Since the average length of government service is about 13 years, relatively few employees reach the 26-day bracket.

If employees in industry work 238 days a year, the government employee's work-year is closely comparable. However, the government employee must use annual leave for purposes for which some private employers do not charge leave or dock pay, such as attendance at funerals, short absences to take care of necessary personal business, and so on.

Fringe benefits: In order to compete with other employers for high quality personnel, the government offers an attractive list of fringe benefits which includes group life insurance and health benefits, retirement, and awards for beneficial suggestions and superior performance. The government's fringe benefits package is better than that of many private employers, and not as good as some others. A recent Chamber of Commerce of the U.S. survey showed fringe benefits costing 27 per cent of payroll in 1,150 companies surveyed. The most recent evaluation of the federal fringe benefits package showed that it amounted to 23.8 per cent of payroll.

One of the reasons for this difference is that some companies pay the full cost of group life and health insurance and pension plans for

their employees. Federal workers pay more than half the cost of their life and health insurance, and 6.5 per cent of their salary is contributed toward the cost of their ultimate retirement annuity.

Pay: Until recent years, the pay of federal employees, except in the lower grades, was below the pay of employees in private industry doing comparable work. Since the principle of comparability with private salaries for similar work was established by law in 1962, this pay gap has been closing. It is not entirely closed yet—government salaries still lag behind private pay, particularly in the upper grades where the difference is as much as 19 per cent. The salary increase which is due next July will narrow the gap more, but the new pay rates will be based on a survey of industry pay made last summer—so our pay rates will continue to be a year behind industry's still-advancing salaries for similar work.

Critics have complained that the rate of increase in pay since 1958 has been 75 per cent for federal employees compared to 55 per cent and less for certain groups of private employees. Such critics ignore the fact that from 1930 through 1945 federal employees received no pay raises at all, and that progress thereafter, although steady, was very slow.

Privileges and restrictions: In return for the privilege of serving the public, civil servants give up certain rights. For example, there are legal limitations on their participation in politics, and they are forbidden to strike—rights which other Americans take for granted. They are subject to ethics and conduct regulations to guard against conflicts of interest and improper behavior. Their performance is subject to scrutiny and criticism because they must serve all of the American taxpayers.

Tenure: The old notion that government employees "cling like barnacles" to their jobs, won't resign, and can't be fired, is one of the most persistent of all the myths about the federal service. The fact is that, like private industry, we lose about one fourth of the work force each year through resignation—a turnover rate of great concern to the government, and particularly to the Civil Service Commission as the

agency responsible for recruiting qualified replacements. As for firing, it is true that civil servants cannot be fired for political reasons, personal prejudice, or to make room for the boss' nephew; we are proud of that. But they can be laid off by reductions in force. They can be discharged for cause relating to their performance, character, or conduct. Between 13,000 and 14,000 are fired for cause each year.

Contributions to government

There is another aspect of tenure, however, that is much more important than any question of how many employees are fired and why. Career tenure gives the civil service the stability that is one of its cardinal virtues. The civil service contributes three vital things to our national government: Competence, integrity, and continuity.

It is the continuity of the civil service that enables the necessary operations and services of government to go on without interruption through shifts in political leadership of the type the nation will be experiencing in the next few weeks. We will have a new President in January, new Cabinet officers, agency heads, and policy-making officials. There are still people who think this means we will also have a major disruption of the machinery of government. Actually there has been no such disruption for at least half a century. There will be none in 1969. The idea that there could be is a hangover from the days of the "spoils system," when most government jobs actually did change hands whenever a national Administration changed, and when the business of government literally came to a standstill for a month or more with every change of Administration. That was bad enough in the Nineteenth Century; today it would be absolutely intolerable.

If the material compensations of federal employment are sometimes less, and the personal restrictions greater, than in private employment, there are other compensations that more than balance the scales.

What civil servants do

One of these is the nature of the work that government employees are engaged in, and the extent to which people in all parts of the country depend on it.

YOU
CAN HELP
KEEP
YOUR CITY
FROM
EXPLODING



YOU, ONE MAN, A LEADER, CAN MAKE A DIFFERENCE IN YOUR COMMUNITY

The problems which your city faces today are explosive. And you, of course, know what the problems are. They include:

- The need for more productive jobs in industry
- The need for more and better housing
- The need to update education
- Polluted air and water
- Clogging of traffic
- Crime, juvenile delinquency, vandalism
- Terror in the streets
- Racial discrimination racial unrest . . .

Problems such as these are not alien to you. They concern you, your business, your family, your future.

You can't count on politics to get at the root causes of these problems, and to remove the causes. Experience has proved that:

But you yourself, through your own leadership as a businessman, can play an important part in resolving these problems—and preventing your city from exploding.

The first step is broad range and exploratory.

The first step is for you to get together with other leaders in your town, men who are seriously interested in community betterment. Form an informal, but dynamic, sparkplug group.

Then, have your sparkplug group get in touch with your local chamber of commerce—or with your state chamber, trade or professional association—and find out about *Forward Thrust*.

A TECHNIQUE THAT WORKS

Forward Thrust is a technique for organizing community action which has been developed by the National Chamber, in cooperation with its affiliated organizations in all parts of the country.

It is not a short cut or a cure-all.

Forward Thrust is a process by which a local community can bring to bear on specific local problems, the coordinated thinking and experience of individuals and

groups of different interests and persuasions. Read that again.

This technique is a breakthrough for determining community goals, and solidifying community plans and action.

It has been widely tested. And it works.

GUIDELINES

Forward Thrust is spelled out in a National Chamber publication, a loose-leaf manual "Guidelines for Mobilizing Total Community Resources." The manual shows in detail:

1. How to get started on the job of problem-solving by bringing together diverse groups in your community for dialogue and action.
2. How to promote cooperation among community leaders.
3. How to plan, organize and schedule the work.
4. How to get a public consensus on goals.
5. How to study alternative solutions.
6. How to decide on priorities.
7. How to apply solutions.
8. How to measure progress.

"Guidelines for Mobilizing Total Community Resources," the key to *Forward Thrust*, is \$2 a copy. Order your copy today.

One man—a leader—can make a difference in the future of his community.

CHAMBER OF COMMERCE OF THE UNITED STATES
WASHINGTON, D.C. 20006

■ Please send me ☐ copy (copies) of your loose-leaf manual, "Guidelines for Mobilizing Community Resources"—the key to FORWARD THRUST, the new tested technique for determining community goals and solidifying community plans and action. (1408) ■ Check for \$ ☐ enclosed ■ Send Bill

Name Title

Firm or Organization

Street Address

City, State & Zip Code

Consider just a few of the things federal civil servants do:

They guide air traffic in and out of our overcrowded airports. They catch smugglers, counterfeiters, kidnappers, and dope peddlers. They deliver 80 billion pieces of mail a year. They police the purity and safety of food and drugs. They conduct the most advanced scientific research, finding out what goes on everywhere from outer space to inside a human cancer cell. They provide special services to veterans, businessmen, farmers, young people, old people, poor people, and the armed forces. This is a small sample of the activities which are authorized by Congress and performed by government employees—activities not only useful and necessary, but always interesting and often exciting.

The people engaged in this work appreciate its importance. They feel their responsibility for doing it efficiently and economically. Beneficial suggestions by employees improved operations in 1968 to the value of \$150 million, and an additional \$99 million saving was realized through outstanding achievements of employees; more than 240,000 awards were given to the employees concerned. This incentive awards program has been going on since 1954, with each year's achievements exceeding those of the previous year.

Another important compensation is the sense of personal worth and personal satisfaction which federal employees derive from the knowledge that they are contributing directly to the strength of their government and the welfare of their fellow citizens. This feeling is repeatedly named by our higher level career men and women as one of the greatest rewards of federal service, and as a form of compensation they could not attain in other fields of employment.

The nature of the work, the expertise, and the attitudes of top level career civil servants were most effectively illustrated in an outstanding article in *NATION'S BUSINESS* for April 1967, "Nine Unknowns Who Influence Your Business." In its introduction to the nine men selected, some of whom had served under as many as five Presidents and more than twice as many Presidentially appointed agency heads, the article said: "They toil unnoticed and underrated. But in our modern-day fed-

eral governmental establishment, they serve an increasingly important role. . . . These civil servants work hard. The hours are long, the frustrations equal to any in private life. . . . They insist they do not make policy. But many of their suggestions and recommendations are turned into formal decisions and even new law."

In the federal service we are keenly aware, as are the leaders in business and industry, of the critical need for high-level managerial talent—a need that is constantly increasing with the increasing complexity of both industry and government. Like industry, government is concentrating attention on the development of managers and executives within its own ranks. Management training courses are given at all levels in the federal service from the professional entrance grade on up; two resident Executive Seminar Centers give advanced training for mid-level managers; and the new Federal Executive Institute, opened in October, 1968, at Charlottesville, Va., is a major facility for advanced study for top career executives. It is concerned with the broad significance of their programs in terms of the government's response to the major problems facing our society.

Operating in a jet age

Executive development is just one of a very long list of major improvements that have been accomplished in the federal service within the past few years. To anyone who still chooses to think of the federal civil service as an anachronism—a horse-and-buggy system operating in the jet age—even a partial sampling of that list of improvements in efficiency, economy, and responsiveness can be quite a revelation.

• The entire federal staffing system has been overhauled and streamlined. Interagency boards of civil service examiners have been established in 65 major cities, providing one-stop federal job information centers for the public and nationwide coordination of recruiting efforts for agencies. Manpower planning identifies long-range recruiting needs. The Federal Service Entrance Examination and other important examinations have been modernized and time-consuming procedures have been eliminated. The Executive Assignment System provides maximum opportunity for the utilization of top-level execu-

tive talent where it is most needed. The new merit promotion system assures fair consideration of all employees for higher-grade positions, while giving agencies wider scope for selection of the best-qualified candidates.

• Federal salary reform has established the principle of comparability. The Coordinated Federal Wage System will do away with longstanding inequities in hourly wage rates for the government's blue-collar employees. A completely new program of employee-management relations has given government employee unions official standing, and has given government employees a voice in personnel policy and practices.

• Government has been a pacesetter in establishing equal employment opportunity, with programs extending opportunities to minority groups, to women, and to the disadvantaged. It has provided summer employment and part-time school-year jobs for needy students in both high school and college. It has hired thousands of physically handicapped and mentally retarded workers, with outstanding success.

• In-service training for federal employees covers all levels from executive development down to basic training for recruits from among the hard-core unemployed. Courses are offered in all administrative and professional fields, through both governmental and outside educational facilities.

• Specific programs to insure prompt and responsive service to the public have been established in all federal agencies.

• Federal Executive Boards, made up of heads of federal government installations in 12 major cities across the country, have achieved coordination and cut duplication and waste among government agencies, and have established new patterns of intergovernmental cooperation and local community service.

All this, and more, has been accomplished in recent times. There is no doubt in my mind that this progress will continue. Progress in the federal civil service is an essential expression of its fundamental purpose: Responsive service to the needs and wishes of the American people. That quality of service requires the highest possible quality of civil servants. That is what we strive for, and that is what we have. The American people deserve no less.

END

HOW TO GET MORE GRADS

One thing that hasn't changed in business in recent years is the insatiable demand for new college graduates.

Because demand continues to run ahead of supply, a program that permits people to earn college credits for off-campus study is stirring interest in corporation offices across the country.

Principal effect of the program will be to encourage high school graduates and college dropouts to work toward a college degree.

Latest studies show there are 28 million adult Americans who annually enroll in correspondence school, attend business-sponsored educational courses or study on their own via TV or the public library.

One in three of these—many of them people employed in business—are interested in a degree, though up to now they had little chance of getting one.

How the program works

This far-reaching program is called the College-Level Examination Program. It's a product of the College Entrance Examination Board whose tests have long been used by colleges as a basis for admitting high school graduates.

The new program does this by establishing a uniform, nationwide basis for assessing the educational background of anyone who has one or two years of college instruction—or its equivalent.

The examinations used in the program are very much like those a college student takes at the end of his sophomore year. (Senior year exams will probably be developed at some future date)

Five are general examinations intended to provide a comprehensive measure of achievement in English composition, the humanities, mathematics, natural sciences, social sciences and history.

These are usually given as a battery of tests.

Other examinations test knowledge in specific subjects, such as American government, chemistry, introductory economics, marketing, Western civilization and statistics.

Sixteen examinations of this type are available now, and new ones are under development.

Jack Arbolino, executive director of the program, predicts that by 1974 there will be tests in as many as 200 subjects.

The examinations are multiple choice and run from 60 to 90 minutes (plus an additional 90 minutes for an optional essay section in the special subject exams). They are scored from 200 to 800 or 20 to 80. The mean is 500 or 50. Each college, however, sets its own passing grades.

Until this fall, the tests were administered for the most part by various colleges and universities and the U. S. Armed Forces Institute. But in October 1967, the College Board opened its own testing centers in the 50 largest U. S. cities, and began giving the exams once a month.

Anyone who walks in off the street and pays the test fee (\$15 for each subject exam or \$15 for all five general exams) is eligible.

After the tests are graded, the College Board sends the scores to the college of the individual's choice.

Colleges sign up

Not all colleges and universities have accepted the program; and it's possible that some never will.

But in recent months, a fast-growing number have been signing up.

They include such institutions as the Universities of Illinois, Iowa, Missouri, Texas and Virginia, Michigan State, Queens College, Colorado College and American University.

Colleges that accept the program agree, in effect, that if a person passing the examinations with satisfactory scores asks to be enrolled as a full-time or part-time student, he will be exempted from courses duplicating the work he has already done.

In most instances he will also be given credit for them toward his degree.

The amount of credit varies with the college. For instance, one col-

lege may give three credits for passing the Introductory Calculus examination; another may give four.

Similarly, some colleges will allow a person who passes the five general examinations to enter as a junior; others will make him start as a sophomore.

"This is a radical program for American education," Mr. Arbolino says, "so we're trying not to jeopardize its success by demanding that the colleges use it in a certain way. Partly as a result of this, we have been rather surprised and very interested in how many different ways it is being used."

Converting to college credits

Employees pursuing in-company or other self-development programs benefit substantially from the new College-Level Examination Program. For the desire for college credit for study done outside college is mounting.

Rudolph R. Fichtel, director of the American Institute of Banking, the largest off-campus adult educational organization in the world, reports that more and more local AIB chapters are advising their students that they can get college credit for equivalent AIB courses.

Until now this was possible only in scattered areas and for a few AIB courses.

"We think it's desirable for our students to get a college degree," Mr. Fichtel says.

"AIB is not a substitute for other types of education but a useful adjunct to them. Quite frankly, a degree from college has more stature than an AIB certificate."

Heads of similar educational organizations agree. What the new College Board program does, "one says, "is to give the off-campus schools respectability."

It is also a boon to the 28 million Americans who study off-campus. Now they can convert what they learn there into college credits.

Business will benefit, too.

For the program should mean a richer supply of a scarce resource. Namely, skilled employees with college training—and a college degree.

—STANLEY SCHULER

SHOULD UNIONS BE RESTRAINED?

The sight of police, firemen, garbage men and teachers marching off their jobs has brought home to all Americans a fact that most businessmen have known for years. Labor unions can wield considerable power to get what they want.

Many citizens and public officials now feel helpless in the face of union demands. Businessmen have had to watch unions—

Demand inflationary wage increases, featherbed, contribute

union money and manpower to political candidates sympathetic to unions and infringe on traditional management rights.

Unions say this is a free country and that their actions stem from guaranteed freedoms to associate, protest and engage in contracts. They claim that collective bargaining can be promoted only if government helps unions grow even stronger. There have been many suggestions for curbing union power.

Most involve reforming the labor laws. Some people want to subject unions to antitrust laws, to cut the authority of the National Labor Relations Board or replace it with courts, to impose compulsory arbitration of labor disputes, or to limit the union function in other ways.

Proposals all hinge on the question: Are unions too powerful? Are their powers harmful to the economy and the public?

What do you think?

Jack Wooldridge, Editor
Nation's Business
1615 H Street, N.W.
Washington, D.C. 20006

Should labor unions be restrained?

☐ Yes ☐ No

Comments:.....
.....
.....
.....
.....
.....

Name and title.....

Company.....

WHERE THE GOVERNMENT SPENDS TOO MUCH

"I could not operate a business in the same manner our government operates without going bankrupt."

So says Jack H. Boyle, manager of Kroger Family Center Pharmacy in Fayetteville, Ark.

More and more Americans are convinced that the spending burden is becoming intolerable and should be reduced drastically. Others would change our whole fiscal process.

This message comes through clearly in response to the question, "Is government spending too much money?" in the NATION'S BUSINESS "Sound Off" section.

Many readers feel that the government could keep its spending in line simply by trimming waste and duplication of services. Some advocate an outright slash of all government spending by 10 per cent to achieve some balance in government income and outlay.

V. C. Arnold, a Plano, Texas, realtor, says, "There is no question about the amount (of government spending) being too much, it has been far too much for a very long time now. The question is how much can be cut back without adversely affecting any program that is worthwhile." Mr. Arnold adds, "The first and biggest cuts should be in our outrageous give-away programs to other countries, especially to those who are not our allies and who have no regard for us."

Duane Dent, with the Ennis Transportation Co., Ennis, Texas, writes, "The first place to cut down on spending is foreign aid. In reality, this is only blackmail for operating military installations in foreign countries."

"The excesses are the fault of Congress," Ivan Ricks, a retired businessman of Gulf Breeze, Fla., writes. "Not by any stretch of the imagination does Congress represent the electorate on fiscal matters. We want and must have definite control over expenditures."

Ralph L. Adkins, superintendent of the Electric Plant Board in Monticello, Ky., would strip Congress of

its power to originate appropriations. He argues that:

"We can never have a realistic budget until such time when all money bills must originate in the executive department and Congress could merely accept the spending levels as the President requests or reduce the amount as deemed necessary. This would eliminate pork barreling and reduce the number of lobbyists that haunt the halls of Congress. It would place the responsibility for fiscal management squarely upon the shoulders of the President."

Robert V. Derby of the Orthopedic Appliance Co., Pueblo, Colo., is among many writers worried about fiscal irresponsibility at the top. Mr. Derby comments:

"It seems to me that the government should be better able to control expenditures than it has demonstrated. Why should the government be allowed to overspend itself? As any interested American knows, there is entirely too much waste in almost all areas of government spending. I feel that our Congress should and must set a debt ceiling and enforce it."

Along somewhat similar lines, James A. Webb, Jr., assistant professor of business at Louisiana Polytechnic Institute in Ruston, notes:

"Existing programs of the federal government must be critically evaluated. I believe many of them should be done away with or given to the states for administration. The size of the federal government must be reduced—in terms of numbers of employees and total expenditures. I see no reason why the federal debt should continue to grow. In fact, it should be reduced some each year."

"Any politician who says spending can't be cut is lying," says C. A. Shugart, president of S & M TV & Electronics, Inc., Conroe, Texas. "We would all like to have unlimited credit and spend more than we make, but it is not possible. The man who really cuts government waste and deficit spending will have

all the deadbeats and pork barrel bums screaming, but we taxpayers would love him."

A. F. Barber, Jr., owner of Town Office Supply in Hendersonville, N. C., writes:

"Congress should see to it that the \$6 billion cut in spending is followed through. Unless some group stays on top of this situation the tax increase will remain and there will be no cut in spending. In my opinion most all welfare, and all foreign aid, should be wiped out. Both expenditures have proven to be failures."

J. N. Barron, chief executive officer of Barron & Co., Crystal Springs, Miss., is also worried about accelerating government spending. He says:

"As during the Depression of the Thirties the constant move was for reduction of expenses, so has been the steady built-in increases of the Sixties for anticipated cost of living increases, which has automatically created the inflation to make those increases essential. There must be some brakes used, or the steadily increasing speed of inflation is sure to wreck us in a way that few of our people have ever imagined."

It's not so much the amount government is spending but how it spends that disturbs Lee Jordan, secretary-treasurer of the Jordan Wholesale Co., Inc., Cleveland, Miss., who writes:

"Is government spending too much? Absolutely not. You have to spend money to make money, or to receive the benefits money will buy. The problem is that the government is getting rooked in that they (we!) are getting a nickel's return for every dollar invested. When are the 'stockholders' going to act?"

Mark Brantom of Memphis, Tenn., asserts:

"Government spending (except for defense) could be cut 10 per cent across the board and some big items such as foreign aid and farm subsidies could be eliminated completely. No effect will be felt from the 10 per cent surtax if government spending increases more than the 10 per cent surtax. A surtax of 50 per cent would not be effective if government spending increased at the same time more than the amount that the 50 per cent surtax would raise."

Howard V. Munday, Washington State Department of Labor and Industries, says simply, "I certainly hope we can get some responsible people in Washington to manage our affairs or we will all be broke."

WHERE HOT SHOTS RUN THE BUSINESS

Goodyear's giants
are picked for
more than
just their size

You've got to look up to the executives of Goodyear Tire and Rubber Co.

For more than half a century the company's personnel men have been recruiting at college basketball courts. So Goodyear probably has the tallest managers of any large firm in the world.

Cage stars are induced to join Goodyear's basketball team upon graduation and at the same time start training to become future managers of the firm. It's a program that apparently works.

Consider E. J. Thomas, a member of the first Goodyear basketball team of 1914. He rose through the ranks to become board chairman. Since his "retirement," Mr. Thomas has headed Goodyear's executive and finance committee.

Goodyear's president, Victor Holt, played on the 1929-30 team. In fact, former Goodyear players today fill key spots in almost all parts of the company.



They include an abundance of plant and personnel managers as well as Robert Maney, vice president and general manager of Goodyear's western region.

Ed Mackey, a member of the 1927 team, recently retired as director of management engineering. He was succeeded by Howard Vocke, captain of the 1941 team.

Of the 282 Goodyear employees who have worn the company's blue and gold basketball togs, 100 are still with the firm. Twenty have retired.

Many companies have supported basketball teams during the past 75 years. In recent years, however, most have dropped their teams due to rising costs of keeping and transporting them. Then, too, the big salaries and bonuses offered by professional basketball leagues have lured talent away from industrial cage teams.

Phillips Petroleum Co. last year folded its famed Phillips 66 team, which had provided many of the firm's top executives. This leaves Goodyear as the sole giant company still supporting its own basketball team.

Mr. Holt, who, as a center for the University of Oklahoma in 1928, was named the country's best basketball player, insists that Goodyear will have a basketball team as long as he is the company's president.

"We figure we get more out of the basketball team than we put into it," says Mr. Holt, leaning his six-foot six-inch frame against his high-



Globe-hopping players visit a Goodyear plant in Mexico to discuss production methods with the manager.

backed leather swivel chair. "Although many of the returns are intangibles, it is a solid investment. Manpower is one of the greatest assets we have."

He sweeps a long arm toward the rows of trophies and plaques surrounding his Tudor-style office. They were won by past Goodyear basketball teams, once called the Goodyear Wingfoots, now the Akron Goodyears.

What they learn on the court

"These players have been men who are a cut above the ordinary as far as determination and drive go," Mr. Holt asserts. "They're used to having to do a little more to succeed. What's bred in a man comes out on the basketball court."

He believes that the man who handles a ball well, making the right decisions and executing them under great pressure on the hardwood, has essential qualities needed in the highly charged business world.

So while Goodyear requires good academic records of their prospects for the team, it puts greater stress on the way the young men play the game.

Close observation of the players continues while they are on the Goodyear basketball team, usually a period of two years. Goodyear executives especially scout for qualities that make business leaders—competitive drive, a sense of fair play, teamwork and a penchant for perfection. They also watch how the players conduct themselves in public. The globe-trotting Goodyears represent the firm wherever they are.

At the same time the players are looking closely at the way Goodyear operates. When "at home" in Akron, Ohio, they attend career training classes in Goodyear Hall.

The player-trainees also take on-the-job training in various operating departments across the street in the main plant or at outlying plants in Akron. They rotate in the depart-

ments to help them gather the knowledge they'll need later to pick the types of work that interest them most. This job rotation also gives management a chance to study the prospects' performances off the court.

When on the road the players continue their instruction in the firm's operations. They tour nearby Goodyear manufacturing plants and sales and service offices. When they played in Mexico City this year, for example, the team took time to study the operation of ply-cutting machines at the company's Oxo plant in nearby Lecheria.

After two years with the firm, most players hang up their varsity uniforms and devote full time to business. They may go to a district sales organization or stay in Akron for assignments in accounting, research, development or administration.

Usually stay with Goodyear

Some players have used Good-



Olympic gold medalist Calvin Fowler, six-foot-one, and six-foot-11 Tom Black flank Goodyear President Victor Holt, six-foot-six, in his office.

year as a stepping stone to professional basketball careers. But not many.

"The young man may have this in mind when he joins us," explains C. E. Bloodorn, the company's recreation director. "But after two years away from college, he has matured. Perhaps he has started a family. And when he considers his future in pro ball compared to continuing a good start he already has made in a business career, he usually decides to stay with us."

Many ex-players have advanced

fast in the Goodyear organization.

James R. Sankey, of the 1945-47 team, recently was named manager of a new tire plant in Union City, Tenn. Joseph W. Cypher, of the 1952 team, manages a plant in Northern Ireland. Thornton L. Hill, of Goodyear's 1960-62 team, is New York-Northeastern district manager for films and flooring.

John P. McCaffrey, a member of the 1964 team and an Olympic gold medal winner that year, is a senior business analyst in the corporate business planning and research de-

partment. Right now he's deciding how the firm should spend \$1 million on industrial shows.

Another Olympic gold medal winner in 1964, Richard Davies, is a production supervisor in Goodyear's industrial products division.

J. S. Bruskin, general manager of the films and flooring division, admits that he goes out of his way to try to attract the retiring basketball players into his division.

"These young men are perfectly natural for sales," he explains. "They're used to traveling and meeting people. They're all extroverts. They're impressive—if only from their size alone. Customers remember them."

He notes that doors open wide for ex-athletes, especially when they are assigned to areas in which they achieved their college fame.

"These men also are in the best physical shape," Mr. Bruskin adds. "Absenteeism is about zero. They know how to take care of themselves."

Howard Ginaven, towering manager of Plant 1, also reconnoiters the firm's teams for talent. A former Goodyear player himself, Mr. Ginaven seldom misses a home game.

"You can tell a lot about a man's character by the way he handles himself on a basketball court," Mr. Ginaven contends. "When the going gets tough, some men get harassed and want to fight. If a man's going to quit out on the court, he's going to quit elsewhere—like in the factory."

"Manufacturing is a game in itself. Sometimes I think of the union contract as the rule book. If you don't follow it, you get a penalty. In manufacturing we want to win, too. Good basketball players find this easy to understand."

Some immediate benefits

Although the basketball team often draws big crowds, it is not—nor was it intended to be—a profit-making operation. But not all dividends from the team are long range.

For example, the players sometimes are sent to college campuses to interview nonathletes for the company's regular management training program. Being freshly out of college themselves, the players talk the students' language and, at the same time, are living examples of the fact that business is a haven for outstanding students.

Of course, Goodyear's public re-



Jim King, Olympic star from the firm's team, lingers to talk strategy with a student after a playground cage clinic in Akron.

lations department is ecstatic over the team.

"It brings us all kinds of free publicity on sports pages all over the world," beams Patrick Petree, the team's five-foot eight-inch public relations man. In addition, the company's radio and television stations transmit Goodyear games as far away as Detroit.

Since the Akron Goodyears are paid the same as other trainees at the firm, and not paid extra for play-

ing, they retain their amateur status. Thus they compete against some of the best amateur teams in some of the top tournaments.

Their many titles and championships include two Amateur Athletic Union titles and the Intercontinental World Cup. Last year's team scored 33 wins against six losses, averaging more than 80 points per game to the opponents' 65.

Goodyear players regularly form the nucleus of U. S. Olympic cage

teams. Representing the United States this year in Mexico City were team captain Calvin Fowler, formerly of St. Francis College in Loretto, Pa., and Jim King, of Oklahoma State. Both are training in warehousing and shipping.

Also on the gold-medal winning Olympic team, as an alternate, was six-foot 11-inch Tom Black of South Dakota State, a films and flooring sales trainee at Goodyear.

Goodyear Coach Hank Vaughn, a 1950 basketball All-American at the University of Akron and himself a Goodyear alumnus, has been the assistant coach on the past two Olympic teams.

The company also uses the team for developing community activities. For example, it has been conducting cage clinics at playgrounds around Akron.

The basketball program officially is part of the firm's extensive employee recreation program. Home games are played within Goodyear Hall, which doubles as a management school and a recreation center for employees and retirees. It has a full gym, exercise rooms, modern bowling lanes, a pool table and golf practice pads.

"Recreation," says Board Chairman Russell DeYoung, "becomes a key factor in productivity by giving the individual status and recognition, as well as better morale."

"Our company seeks in its employees—and does what it can to encourage in the young people of our country—the basic fundamentals of health, character, ability and teamwork." **END**

Advertisers in this issue • December 1968

American Telephone & Telegraph Co. Informative General	1
N. W. Ayer & Son Inc., New York	
Cadillac Motor Car Division General Motors Corp.	27
MacManus, John & Adams, Inc., Bloomfield Hills	
Cataphote Corp., Microheads Div.	50
Gordon Marks & Co., Inc., Jackson	
Chevrolet Motor Division, Fleet General Motors Corp.	6
Campbell-Ewald Co., Detroit	
Chevrolet Motor Division, Truck General Motors Corp.	61
Campbell-Ewald Co., Detroit	
Chrysler Division, Chrysler Corp. ... Cover	4
Young & Rubicam, Inc., Detroit	
Dixie Steel Buildings, Inc.	20
Liller Neal Battle & Lindsay, Inc., Atlanta	
Florida Development Commission, Cover	3
William Cook Advertising, Inc., Jacksonville	
Ford Motor Co., Ford Truck	Cover 2
J. Walter Thompson Co., Detroit	
Fl. Howard Paper Co.	43
Kensyon & Eckhardt Inc., Chicago	

Friden, Inc.	14
Meltzer, Aron & Leman, Inc., San Francisco	
Gamble-Skogmo, Inc.	72
Batten, Burton, Darstine & Osborn, Minneapolis	
CMC Truck & Coach Division General Motors Corp.	22, 23
McCann-Erickson, Inc., Detroit	
General Aniline & Film Corp.	9
Daniel and Charles, Inc., New York	
Home Insurance Co., The	4, 5
Albert Frank-Guenther Law, New York	
Hyster Co.	18, 19
Cole & Weber, Inc., Portland	
Kelly Services	24, 73
Campbell-Ewald Co., Detroit	
Latham Time Recorder Co.	12
George and Glover, Atlanta	
Lynn Metal Products, Inc.	71
Reisner, Meyer & Finn, Chicago	
Pitney-Bowes, Inc.	11
de Garmo, McCaffery Inc., New York	
Plymouth Division, Chrysler Corp.	13
Young & Rubicam, Inc., Detroit	
Pontiac Motor Div. General Motors Corp.	44, 45
MacManus, John & Adams, Inc., Bloomfield Hills	

Ryder System, Inc.	28
Neals & Hickok, Inc., Orlando	
Union Pacific Railroad	62
Geyer, Oswald, Inc., Omaha	
Zip Code, U.S. Post Office Dept.	15
Regional Advertisements	
American Electric Power Service Co. ..	81
Gardner Advertising Co., Inc., New York	
Blue Cross-Blue Shield	49
Boswell & Jacobs, Inc., Chicago	
Blue Cross Plans in Ohio	49
Oppenheim/Herminghaus/Clarke/Inc., Dayton	
Great-West Life Assurance Co., The ...	21
Spitzer, Mills & Bates Ltd.	
Marine Midland Corp.	49
Batten, Burton, Darstine & Osborn, New York	
Republic Steel Corp.	17
Meldrum and Fausmith, Inc., Cleveland	
Sun Life Assurance Co. of Canada	33
Ingalls Associates, Inc., Boston	
Treasury Dept. U.S. Savings Bonds	21
Wells Fargo Bank	49
McCann-Erickson, Inc., San Francisco	

editorial

BUT IT HELPS

President Nixon will get a salary of \$100,000, plus expenses.

Not much for that job. Though when Harry Truman was President, the pay was only \$75,000.

But a lot has happened since then, including inflation. The fact is, even the President's enlarged salary today won't come close to buying what Mr. Truman's dollars could buy. It now takes three dollars to buy what two dollars bought then.

You don't have to be President to be concerned about what's happening to the dollar. But it should help that he is concerned.

Before you buy the 1969 Imperial, or any \$6,000 or \$7,000 car, you should know what goes into it.

There are only three American luxury cars. Before you spend \$6,000 or \$7,000 for any one of them, you should spend a little time with all three.

For 1969, Imperial has been totally restyled. The look is fresh, clean, contemporary. It is the biggest car in its class. Not for the sake of bigness, but to give you a little more leg room, shoulder room, and hip room.

But, there are many things to consider other than newness and size. For example, you should know that we've equipped Imperial with the largest passenger-car engine Chrysler has ever built. You should know that Imperial's brakes are slightly larger than those found on other luxury cars. Though only very slightly.

You should know about ride. The new Imperial has torsion bars instead of coil springs. Both systems have their points, but torsion bars tend to take the sway out of curves and freeway driving.

You should look into Imperial options. Among the many: Reclining passenger seats. Separate heating and air conditioning systems for both front and rear compartments. Stereo with five speakers instead of the usual four.

These are just a few points that distinguish Imperial from other luxury cars. So, before you spend \$6,000 or \$7,000 for any luxury car, spend some time with all three.

IMPERIAL



CHRYSLER
MOTORS CORPORATION

LeBaron Two-Door Hardtop

